

## Workforce Bulletin - July 25, 2014

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#### In This Issue:

- Workforce Innovation and Opportunity Act Signed into Law, Administration Releases Review of Job-Training Programs
- Senate Committee on Appropriations Releases Labor, HHS, Education Draft Bill, but Continuing Resolution Expected in September
- USDOL and ITSC seek Cloud Computing Solutions to Support UI IT Systems
- New Jersey Partners with ITSC to Implement Reemployment Connections Software Tools
- NASWA and USDOL Officials Meet on Performance Measurement in the Workforce Development System
- Solicitation of Candidates for NASWA's Executive Committee
- Hiring our Heroes Launches Virtual Job Scout
- USDOL Launches Website on Workforce System Evaluations and Reports
- Unemployment Insurance Initial Claims and Continued Claims Decrease
- Notices, Advisories and Reports

## Workforce Innovation and Opportunity Act Signed into Law, Administration Releases Review of Job-Training Programs

On Tuesday, July 22, President Barack Obama signed the *Workforce Innovation and Opportunity Act (WIOA)* into law, formally overhauling and reauthorizing the expired Workforce Investment Act of 1998. The President signed WIOA following swift passage and overwhelming bipartisan support for the bill in both the U.S. House of Representatives and the Senate earlier this month and in late June. To view the signing ceremony, visit: http://www.whitehouse.gov/ready-to-work.

Prior to the signing of WIOA, the Administration released Vice President Joe Biden's report on its review of federal job training programs. The report, <u>Ready to Work: Job Driven Training and American Opportunity</u>, is the result of a <u>memorandum</u> announced by President Obama during his State of the Union address in January, where he directed the Vice President along with the White House policy councils, the Secretaries of Labor, Commerce and Education and the Office of Management and Budget (OMB) to deliver an action plan on how to, "make the workforce and training system more job-driven, integrated, and effective within 180 days."

The Vice President's report developed a "Job-Driven Checklist" that will guide the Administration as it implements WIOA and other training programs, as it works to, "maximize the effectiveness of over 25"

competitive grant programs, to direct state and local training and employment programs to become more jobdriven, to make sure all federal employment and training programs are engaging employers, and to improve information on employment results so we know what's working well and what's not."

A day after WIOA was signed by the President, on Wednesday, July 23, the U.S. Department of Labor (USDOL) Employment and Training Administration (ETA) hosted two webinars on WIOA, providing a general overview of the new law, discussing implementation dates, and answering questions from stakeholders in and out of the workforce system.

ETA Assistant Secretary Portia Wu outlined the schedule of required implementation dates of WIOA during the webinar, noting WIOA will take effect on July 1, 2015, the start of Program Year (PY) 2015. Prior to the start of PY 2015, the Departments of Labor, Education, and Health and Human Services will publish a Notice of Proposed Rulemaking (NPRM) by January 18, 2015, with final rules published by January 22, 2016. ETA also announced it had created a website for workforce system stakeholders to find information on implementation and other resources at http://doleta.gov/wioa/.

WIOA reflects months of negotiations between lawmakers in each chamber of Congress. The measure reauthorizes 33 USDOL workforce programs last authorized under the 1998 Workforce Investment Act (WIA). Although the WIA expired in 2003, USDOL has continued to operate these programs with additional funding from Congress.

#### Some of the key provisions of WIOA are:

- Maintain the authorization of the 15 percent state allocation funding to allow states to address specific needs.
- Eliminate 15 programs; 14 within WIA, including the WIA Workforce Innovation Fund and one higher education program.
- Preserve funding for Wagner-Peyser Act of 1933 and rename "employment statistics" to the "workforce and labor market information system."
- Ensure that UI claimants are searching for work as part of their eligibility assessments.
- Restructure the Workforce Information Council (WIC) and rename it the Workforce Information Advisory Council (WIAC). The WIAC will include four state workforce agency administrators and four Labor Market Information (LMI) Directors in addition to representatives of local areas, employers, educators and economic developers.
- Require co-location of employment service offices with one-stop centers.
- Apply one set of common performance measures to every federal workforce program under the bill.
- Reduce the number of required members on state and local workforce boards. (The legislation would reduce the size of the boards, from an estimated 43 to 33 members at the state level and 23 to 19 at the local level; maintain the requirement that a majority of members be from the business community but increase the representatives of the workforce system.)
- Add a stop-loss and stop-gain limit to the state allocations of funding for the dislocated worker program beginning in fiscal year 2016 to reduce year-to-year volatility.

- Allow local boards to transfer 100 percent of funds between the adult and dislocated worker programs.
- Require states to produce one strategic plan describing how they will provide training, employment services, adult education and vocational rehabilitation.
- Strengthen the alignment between local workforce areas and labor markets and economic development regions by requiring a unified state plan covering four years to meet the requirements for each of the core programs; require states to consult with local boards and chief elected officials in order to identify local areas and planning regions that are in alignment with labor markets and regional development areas.
- Eliminate the statutory "sequence of services" and merge "core and intensive activities" into a combined "career services."
- Strengthen evaluation and data reporting requirements; include and adjust six primary indicators for youth served under the act. (Commonality among the indicators will allow policy makers, program users, and consumers to understand better the value and effectiveness of the services.) Include performance reports to be provided at the state, local and eligible provider levels, as well as evaluations of the core programs by states.
- Specify authorized appropriation levels for each of the fiscal years 2015 -2020.

NASWA applauds Congress for passing and the President for signing WIOA, and would like to thank our members for all the work and input states have provided over the past ten years in shaping a WIA reauthorization bill that will help further the mission of the workforce system in providing opportunities for job seekers and businesses expand and grow.

For more information and resources on WIOA, including the full legislative text, statement of managers', section-by-section analysis, as well as a side-by-side analysis of the bill, please visit NASWA's WIA Reauthorization Resource Center at <a href="http://naswa.org/resources/WIA/?action=home&id=3">http://naswa.org/resources/WIA/?action=home&id=3</a>.

#### Return to Top

## Senate Committee on Appropriations Releases Labor, HHS, Education Draft Bill, but Continuing Resolution Expected in September

As Congress enters its final week of legislative work prior to their month-long August recess (beginning August 4), it is all but certain that once Congress returns in September, a short-term Continuing Resolution (CR) will have to be enacted to keep the federal government operating at the start of the new Fiscal year (FY) on October 1, 2014. This scenario will set the stage for a *lame-duck session of Congress* following November's mid-term elections on a possible FY 2015 omnibus appropriations bill or another short-term CR

House Speaker John Boehner (R-OH), in a press conference on Thursday, July 24, said the House would take up a two- month CR when lawmakers return in September to provide level funding at the beginning of FY 2015. The two-month CR would provide lawmakers time to negotiate an omnibus appropriations agreement for the remainder of FY 2015.

In an effort to begin negotiations, Senate Committee on Appropriations Chairwoman Barbara Mikulski (D-MD) released the draft text and committee reports for its Labor-HHS-Education, Energy-Water and Financial Services

titles, signaling the panel plans no more work on those measures.

All three appropriations bills were approved in subcommittee, but full panel markups of the measures were either postponed or never scheduled due to concerns over amendments. Senate appropriators usually do not release bill text and committee reports until the full committee markup. By releasing them now, appropriators are acknowledging work has stalled on the bills and are essentially offering what will be starting positions in any omnibus talks with the House after the mid-term elections. Links to the Subcommittee draft text and report are provided below:

- Labor, HHS, Education and Related Agencies FY 2015 Bill Text
- Labor, HHS, Education and Related Agencies FY 2015 Subcommittee Report

The Senate's \$156.8 billion Labor, Health and Human Services and Education, and Related agencies appropriations bill for FY 2015 is the largest domestic discretionary spending bill and includes funding for Department of Labor programs. Listed below is a summary of programs contained in the subcommittee's bill, including a detailed chart of provisions by activity. *Please note: Reporting of the subcommittee appropriations bill occurred in early June, well before House and Senate passage and Presidential signing of WIOA.* 

- Workforce Investment Act Grants to States: The Senate bill recommends an additional \$36 million in funding from FY 2014 for WIA Adult, Dislocated Worker, and Youth programs for a total \$2.6 billion in grants to states. The bill also maintains language allowing local workforce boards to transfer up to 30 percent between adult and dislocated worker programs if approved by the Governor.
- **WIA State Allocation** The Senate legislation proposes increasing the WIA state allocation from 8.75 in FY 2014 to 10 percent in FY 2015. The increase in overall funding for WIA formula grants, and the increase in the WIA state allocation to 10 percent, would provide states slightly more than \$262 million in FY 2015, approximately \$36 million more than FY 2014.
- Workforce Innovation Fund: The Senate bill provided no funding for the Workforce Innovation Fund (WIF) in its FY 2015 bill, citing the \$269 million provided to the WIF between FY 2011 and 2014. The Senate Committee urged the U.S. Department of Labor to, "disseminate widely the results of the WIF evaluation activities, so that states and local areas can implement successful practices. With the Committee bill increasing the Governor's set-aside to 10 percent from 8.75 percent, the Committee believes States will benefit from the dissemination of WIF results and be encouraged to support innovative practices, including sector strategies, career pathways and on-the-job training."
- **Evaluations:** The Senate bill recommends using a set-aside funding mechanism to fund the evaluations of employment and training programs through a 0.5 percent tap on all training and employment programs, such as WIA formula programs, Job Corps, Community Service Employment for Older Americans, and the Employment Service.
- State Unemployment Insurance Operations: The Senate bill proposes providing \$2.8 billion in grants to states for the administration of their unemployment insurance programs. The bill also includes prospective language for states that will form unemployment insurance information technology modernization consortia to extend the obligation period of grants received by states to five years and expenditures for 6 years.
- Reemployment Eligibility Assessments and Reemployment Services (REA/RES): The Senate bill recommends \$157 million in Reemployment and Eligibility Assessments and Reemployment Services, a

\$77 million increase from what was enacted in FY 2014. The Committee report indicated the REA/RES funds will save \$420 million in benefits paid, creating a net savings of \$262 million to the Unemployment Trust Fund.

- **UI Integrity:** Senate appropriators recommend \$10 million in grants to states to provide incentives for renewed efforts in worker misclassification. The bill also would provide \$3 million for the UI Integrity Center of Excellence to promote innovative integrity strategies in the UI system.
- **Veteran Services:** The Senate legislation recommends \$175 million for the Jobs for Veterans State Grants (JVSG); the primary funding states receive for Disabled Veterans' Outreach Program specialists (DVOPs) and Local Veterans' Employment Representatives (LVERs) to provide training and employment services to veterans.

Please click here for funding table.

#### Return to Top

# **USDOL** and ITSC seek Cloud Computing Solutions to Support UI IT Systems

On Friday July 18, USDOL and NASWA's Information Technology Support Center (ITSC) hosted an Industry Day for Cloud Providers as part of a Request for Information (RFI) seeking creative and innovative ideas from the vendor community on how cloud technology solutions may further support the UI system IT infrastructure. The RFI is part of the overall nationwide UI IT Modernization planning, as USDOL and ITSC are conducting market research on how to leverage cloud technology solutions to compliment multi-state consortia and single state modernization projects in order to achieve cost-effective sustainability of these systems. The three-hour event was held at the U.S. General Services Administration (GSA) offices and streamed live. The event attracted over 60 participants from both the vendor community and several states UI agencies.

During the event, Tom Kireilis from GSA's Cloud Program Management Office discussed GSA's role as a "trusted advisor" to offer USDOL and ITSC the benefit of GSA's experience in establishing Cloud Acquisition vehicles, gaining traction with industry cloud offerings, and sharing lessons learned of cloud adoption and modernization across the government and preventing reinvention of the wheel. Following this overview of cloud computing in federal agencies, Dawn Leaf, USDOL's Deputy CIO shared her perspective and lessons learned from USDOL's cloud initiative. Ms. Leaf discussed the approach in federated services that requires a lot of upfront preparation, challenges working with service providers and the broker, and the importance of partnerships with cloud efforts.

The bulk of the three-hour event focused on the current state efforts in UI IT modernization consortia and how cloud technologies could support these efforts as well as future modernization projects. In a panel discussion, Lou Ansaldi (ITSC), Ellen Golombek (CO), representing the WyCAN Consortium, and Dale Smith (MS), representing the MRM Consortium, provided the vendor community insight into the current status of UI IT modernization projects in their states and consortia and the technologies used. This panel focused on providing the vendor community information on the challenges of UI IT modernization and the opportunities that could be addressed in their RFI responses.

More information on the RFI and USDOL/ITSC's Cloud effort is available on the registration page at <a href="http://www.itsc.org/Pages/cloudRFI.aspx">http://www.itsc.org/Pages/cloudRFI.aspx</a>. The recording and transcript for Industry Day is also posted on this site. The deadline for the RFI is August 22, 2014. We encourage states to distribute the information on this RFI

to their State specific contract vendors.

Return to Top

## **New Jersey Partners with ITSC to Implement Reemployment Connections Software Tools**

The New Jersey Department of Labor and Workforce Development (NJLWD) was awarded \$710,500 to implement two recently developed Reemployment Tools, the Integrated Workforce Registration System (IWRS) and the Workforce Integrated Profile Page (WIPP). These tools were developed by ITSC and the states of Mississippi and New York as part of the UI/Workforce Connectivity Pilot Program.

"New Jersey's reemployment strategy is taking shape around enhancements in four key areas: In-person Services, Online Services, Work Search Requirements and Communications," said Hal Wirths, Commissioner of the New Jersey agency. Wirth went on to say, "Building on the existing work done to develop the IWRS and WIPP will contribute to all four of these key areas, and with the additional funding and assistance from ITSC, New Jersey is well positioned to become a national model in integrated service delivery of UI/Workforce services." "We are pleased to be part of this exciting initiative," said Commissioner Wirths.

USDOL and ITSC invited states engaged in USDOL's "Reemployment Connections" and "Reemployment Strategies" initiatives to consider partnering to implement the Integrated Workforce Registration System (IWRS) and Workforce Integrated Profile Page (WIPP) software applications.

The IWRS serves as a single entry point to all reemployment services, including job seeker services, training and unemployment insurance, providing for a single registration and single sign-on (SSO) across all workforce systems. Through the IWRS common data is collected from the jobseeker just once and shared across all systems, streamlining the process for the customer and reducing duplication.

The "Workforce Integrated Profile Page (WIPP)" is a personalized "landing page" that provides real time information on local career center events, job matches, training opportunities and labor market information, UI claim status and other workforce system updates. Customized to the individual jobseeker, the WIPP serves as the interface between the jobseeker and UI and Workforce programs, providing two-way communication derived from information collected during the integrated registration process and the state's existing workforce systems supporting UI, employment services and WIA.

Using open source technologies, the IWR and WIPP software tools are customizable and highly configurable by states to meet state and local specific program needs. In addition states have the opportunity to select from two different implementation strategies: a state-hosted model or a cloud-based model hosted by the vendor who built the application for the project, GCOM of Syracuse, New York. These technology tools serve to create more synergy for each job seeker by integrating information from multiple sources and making it all available in a single online view. This serves to enrich and streamline their experience in accessing services from each of the state workforce agencies.

Return to Top

## NASWA and USDOL Officials Meet on Performance Measurement in the Workforce Development System

Dennis Wimer, Deputy Commissioner, Field Operations, Indiana Department of Workforce Development, and several NASWA staff, met with USDOL officials from both the unemployment insurance and workforce development offices on Monday, July 21 to discuss performance measurement in the workforce development system. The meeting was an information-gathering and brainstorming session held in anticipation of the convening of a workgroup of the NASWA Employment and Training Committee.

Members of the Committee are interested in elevating performance measurement to include more consistent and real-time data helpful for program management and improvement. The workgroup will also be helpful as NASWA provides input to USDOL on the development of regulations related to the new performance measurement provisions of the Workforce Investment and Opportunity Act (WIOA). At the meeting, state and Federal partners agreed the workgroup will provide an opportunity for a continuing, positive dialogue focused on performance measurement and a number of related issues.

#### Return to Top

### Solicitation of Candidates for NASWA's Executive Committee

Bids for candidacy for the NASWA Executive Committee are now being accepted for the 2015 NASWA Association Year, with the positions for President-Elect, Treasurer and Secretary open for election in September at NASWA's 78th Annual Conference in Burlington, Vermont, September 17-19, 2014.

Currently, there are three state administrators who have declared their candidacies: Scott Sanders, Commissioner, Indiana Department of Workforce Development for NASWA President Elect; Joan Evans, Director, Wyoming Department of Workforce Services for NASWA Secretary; and Renee Olson, Administrator, Employment Security Division, Nevada Department of Employment Training and Rehabilitation for NASWA Treasurer.

The election of the non-voting members on NASWA's Executive Committee, the Director for Information Technology (IT) and Director for the National Labor Exchange (NLx) will be postponed, as NASWA's Board of Directors' decided at its June 2014 meeting to delay voting until after the September election for these positions to whether these positions will continue to exist. Once NASWA's Board of Directors has made a decision on whether or not to continue with the two positions, a solicitation of candidates would be made accordingly if needed.

Administrators are encouraged to run for one of the vacant Executive Offices of NASWA. State Administrators interested in running for any of the above mentioned positions should email NASWA Executive Director Rich Hobbie at <a href="mailto:rhobbie@naswa.org">rhobbie@naswa.org</a>. Candidates for the NASWA Executive Committee will be elected during the business session at the Annual Conference.

#### Return to Top

### **Hiring our Heroes Launches Virtual Job Scout**

In March 2011, the US Chamber of Commerce Foundation held its first Hiring Our Heroes job fair. Since that time over 750 job fairs have been held in communities across the country – and a number of digital resources have been added to the Foundation's menu of options for service members, veterans and military spouses, including a Personal Branding Resume Engine for veterans and an online resume builder for military spouses. Additionally, a partnership with the National Labor Exchange has been formed, and the NLx is providing the job listing technology behind the Chamber's Fast Track initiative.

The latest program to launch under the Hiring Our Heroes umbrella is Virtual Job Scout, an initiative designed to gather the resources and opportunities of a live job fair event and bring them to veterans and military spouses in an online environment. Over fifteen hundred employers of all sizes have committed to hiring from the military community and hundreds of them have already signed up to use Virtual Job Scout. The first virtual event is scheduled for August 12-13, and pre-registration is now open. Virtual Job Scout will allow job seeking veterans and military spouses the opportunity to connect with recruiters in real-time during an event, or at any time after hours.

As with all of the Hiring Our Heroes programs, Virtual Job Scout is free for all U.S. veterans, service members and spouses.

Return to Top

# **USDOL** Launches Website on Workforce System Evaluations and Reports

On Tuesday, July 22, USDOL's Chief Evaluation Office announced a new resource for workforce system stakeholders, launching the <u>Clearinghouse for Labor Evaluation and Research (CLEAR)</u> website. USDOL's CLEAR website is an online source for research and evaluation publications and reports related to USDOL programs and issues. CLEAR's mission is to make research on labor topics accessible to practitioners, policymakers, researchers, and the public.

CLEAR's searchable database is organized by labor topics to make information more readily available for informed decision making on policies and programs. CLEAR works with content experts to develop policy-relevant research questions within each topic area and search the existing literature for research evidence addressing those questions. For each study, there is a summary report highlighting its main findings. A ratings assessment is also included for more rigorous studies to evaluate the quality of experimental design.

The Clearinghouse for Labor Evaluation and Research (CLEAR) website can be accessed at http://CLEAR.dol.gov.

Return to Top

## **Unemployment Insurance Initial Claims and Continued Claims Decrease**

The U.S. Department of Labor reported for the week ending July 19 seasonally adjusted unemployment insurance initial claims decreased from the previous week's revised figure.

Seasonally adjusted initial claims decreased by 19,000 to 284,000 from last week's revised figure of 303,000. The 4-week moving average was 302,000, a decrease of 7,250 from the previous week's revised average of 309,250. The unadjusted initial claims level totaled 292,344, down 78,215 from the previous week, and down 48,113 from the level of 340,457 for a comparable week in 2013.

UI continued claims, seasonally adjusted, for the week ending July 12 were 2,500,000 down 8,000 from the previous week's revised figure. The 4-week moving average decreased 17,000 to 2,542,250 from the prior week's revised figure of 2,559,250.

The total number of individuals claiming benefits in all programs for the week ending July 5 was 2,611,871, an increase of 165,383 from the prior week. Regular state continued claims increased by 162,994, and EB increased by 205. During the week of July 5, 2014, continued claims for ex-federal employees stood at 12,884 up 1,079 from the prior week, and for newly discharged veterans, 23,509 up 387 from the prior week.

Initial claims, seasonally adjusted, continue to decline from the high point in the Great Recession (665,000 on March 28, 2009) reaching an eight-year low as shown in the chart in the PDF version.

#### Return to Top

## **Notices, Advisories and Reports**

USDOL Directives & Releases

**July 22, 2014:** USDOL released a <u>notice in the Federal Register</u> soliciting comments concerning its proposal to collect information from program participants through a participant tracking system (PTS).

**July 22, 2014:** ETA issued <u>Training and Employment Notice No. 05-14</u> to communicate the enactment of the Workforce Innovation and Opportunity Act (WIOA), announce its current implementation plans, share key statutorily-required implementation dates, and provide initial informational resources regarding the provisions in the new law.

#### Bureau of Labor Statistics Reports

**July 22, 2014:** BLS released the <u>Real Earnings for June 2014</u> reporting real average hourly earnings seasonally adjusted for all employees was unchanged from May to June. This result stems from a 0.2 percent increase in the average hourly earnings being offset by a 0.3 percent increase in the Consumer Price Index for All Urban

Consumers (CPI-U). Real average weekly earnings were unchanged over the month due to both real average hourly earnings and the average workweek being unchanged.

**July 18, 2014:** BLS issued its *Regional and State Employment and Unemployment Summary* for the month of June 2014. Regional and state unemployment rates were little changed in June. From May to June, twenty-two states and the District of Columbia had unemployment rate decreases, 14 states had increases, and 14 states had no change. Forty-nine states and the District of Columbia had unemployment rate decreases from a year earlier and one state had an increase. Nonfarm payrolls increased in 33 states and the District of Columbia and decreased in 17 states.

#### Return to Top

Articles were contributed by Lisa Stern, Pat Auerbach, Yvette Chocolaad, Hillary Hewko, John Quichocho, Jim Van Erden, Marc Katz and Tim Griffith.

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