Federal Education and Workforce Policies

Indiana Skills2Compete Meeting
Indianapolis, IN
July 26, 2018
A middle-skill gap

United States jobs and workers by skill level 2015

- High-Skill Jobs: 31%
- High-Skill Workers: 36%
- Middle-Skill Jobs: 53%
- Middle-Skill Workers: 43%
- Low-Skill Jobs: 16%
- Low-Skill Workers: 21%

www.nationalskillscoalition.org
Key Federal Workforce and Education Policies

- Workforce Innovation and Opportunity Act (WIOA)
- Carl D. Perkins Career and Technical Education Act (Perkins)
- Higher Education Act (HEA) – includes Pell Grants, federal student loan programs
- SNAP Employment and Training (SNAP E&T)
- Apprenticeship/work-based learning
Signed into law July 2014, replaced the Workforce Investment Act (WIA)

Implementation began July 1, 2015

Focus on alignment across federal workforce, education programs
Four Titles – One Plan

✓ Title I – Workforce Development Activities
✓ Title II – Adult Education and Family Literacy Act (AEFLA)
✓ Title III – Wagner-Peyser Act (Employment Services)
✓ Title IV – Rehabilitation Act of 1973 (vocational rehabilitation)

✓ WIOA requires state “unified plans” – set vision and strategy across all six “core” programs
“Core” programs - formula grants to states; in PY’18 IN receives:
- $13M for adult activities
- $14.1M for dislocated workers
- $14.2M for youth activities

National programs include:
- YouthBuild
- Job Corps
- Native American grants
- Migrant and Seasonal Farmworker grants
- Reintegration of Ex-Offenders
WIOA Performance Accountability

Creates a single set of common performance measures across core programs, including:

- Unsubsidized employment (2\textsuperscript{nd} Q and 4\textsuperscript{th} Q);
- Median earnings;
- Receipt of a secondary diploma or recognized postsecondary credential;
- Measurable skills gains toward a credential or employment; and
- Employer engagement

PY’18 is first year that states will negotiate performance rates for all core programs
WIOA Governance and Infrastructure

✓ Requires establishment of business-led state* and local workforce development boards (WDBs)
✓ Local WDBs oversee one-stop system, select providers of adult and youth services
✓ American Job Centers – must provide universal access to core programs, other federal workforce programs

*Indiana has waiver for state WDB membership requirements in PY 2018-2020
State formula grants for adult and family literacy (IN receiving $10.7m in FY 2018)

Funding applications must be reviewed by local WDBs to ensure alignment with local plans; services must be accessible through one-stops

Strong emphasis on integrated education and training (IET) and career pathways
Carl D. Perkins Career and Technical Education Act

✓ Primary federal investment in CTE; in FY’17, IN received $24.5M
✓ Can be utilized for both secondary and postsecondary programs (IN secondary $13.6M; postsecondary $7.1M)
✓ Not tuition – utilized for institutional capacity (equipment, teacher salaries, etc.)
Carl D. Perkins Career and Technical Education Act

Reauthorization status:

- Passed by Senate Monday; House vote by end of week
- Largely maintains current law, but does provide increased funding, greater emphasis on career pathways, industry partnerships, work-based learning
- Better alignment with WIOA performance metrics though final bill reflects some compromises
Higher Education Act

✓ Primary federal investment in higher education
✓ Title IV – federal student aid programs, include grants (e.g. Pell), loans, and federal work-study
✓ Pell Grants:
  ✓ Maximum award: $6,095
  ✓ Means-tested – based on expected family contribution (EFC)
  ✓ Limited to programs at least 600 hours/15 weeks
✓ Last reauthorized in 2008 – potential updates next Congress
Higher Education Act

Reauthorization status – House Republican bill (PROSPER) passed committee early 2018, but no floor vote; Senate unlikely to take up

House Dems bill (Aim Higher Act) introduced Tuesday; Senate definitely won’t take up

Key issues for next year: expanding aid to short term programs (JOBS Act); outcomes data (College Transparency Act); strengthening employer roles; student debt, “risk-sharing”
SNAP E&T

- Training funds to support services SNAP recipients; all states required to operate E&T program (IN received $1.8m in FY’17, plus $2.9m in reimbursements)
- Programs can be voluntary or mandatory; voluntary programs generally have stronger outcomes
- Able-bodied adults without dependents (ABAWDs) subject to work requirements, but not guaranteed E&T services
SNAP E&T

✓ June: House bill approved 213-211; Senate bill approved 86-11

✓ Very different approaches:

✓ House bill would expand work requirements for broad range of SNAP recipients, but significantly increase E&T funding ($90m to $1B)
✓ Senate bill makes no major changes to eligibility, would increase funding for pilot grants but otherwise maintain current funding
Temporary Assistance for Needy Families

- Primary federal cash assistance program for low-income parents; $16.5B in federal funding
- Recipients are subject to work requirements, states must meet “work participation rate”
- States can invest TANF in training, but not all do:
  - Indiana received $206M in federal TANF funds in FY’16 (plus $113M in state MOE funds), of which:
    - $18.6M went to cash assistance
    - $8.5M went for education and training.
Apprenticeship/Work-Based Learning

- WIOA strengthened role of apprenticeship
- Apprenticeship Executive Order in June 2017, calls for expanded approval process; task force appointed
- Congressional funding for apprenticeship has increased to $145m for FY’18, must be used for registered programs
- Other policies – HEA, etc. – will likely include greater emphasis on work-based learning if reauthorized