

Policy Points

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The New Arkansas Workforce Investment System: Key Decisions and How to Get Involved

In the summer of 1998, Congress passed the Federal Workforce Investment Act (WIA), and during the recent Arkansas legislative session, the Arkansas Workforce Investment Act became law. Both of these pieces of legislation provide guidance for major changes within the Workforce Investment System in the United States and in Arkansas. Previous issues of this publication provided summaries of the legislation.¹

As Arkansas moves forward to implement these new laws, it is important to consider the major decisions that the state and local areas must make. And organizations and individuals need to understand the various ways they can get involved in the decision-making processes. Arkansas must submit its plan for implementing the new laws to the U.S. Department of Labor by April 1, 2000. In this issue of *Policy Points*, you will find a discussion of some of the key issues that the state must include in this plan. In addition, you will find information as to where each of these decisions will be made and how you can affect these decisions. Don't wait for the due dates on these decisions. Get involved now.

KEY ISSUES

- Designating Local Areas** – By September 30, 1999, the Governor must designate the local areas that will operate the Workforce Investment System. He must approve a request for temporary designation from any unit of local government, or combination of local governments, with a population of 200,000 or more, that was a service delivery area under the Job Training Partnership Act (JTPA), if that area performed successfully in the last two years and maintained fiscal integrity. For those areas with populations of less than 200,000, public hearings will be held to determine if they should remain operational. If there are no objections, the areas will be approved. Two areas in Arkansas fit

KEY DATES

9/30/99	Designation of Local Areas
9/30/99	Criteria for Making Appointments to Local
11/30/99	Draft of State Plan
1/15/00	Appointment of Local Boards
3/31/00	Process for Certifying Eligible Training Providers
3/31/00	Process for Using Individual Training Accounts
3/31/00	Program Accountability and Statistics System
3/31/00	Ensuring that Local WIB Plans Support TEA Plans
4/1/00	State Plan Due to U.S. Department of Labor



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¹ See the Arkansas Enterprise Group/Good Faith Fund web site to view summaries of these two pieces of legislation at http://www.arenterprise.org/public_index.html. Click on

this description - East Arkansas and Little Rock.

Action - By September 30, 1999, the local areas will be designated. Be on the lookout for public hearings about the East Arkansas and Little Rock workforce areas. If you have concerns about those workforce areas, attend the hearings and/or voice your concerns to the state Workforce Investment Board (WIB) or to Employment Security Department (ESD) staff. Contact information is listed at the end of this document.

- **Appointing Local Workforce Investment Boards** - Local boards must be appointed by January 15, 2000. The Governor and the State WIB will set criteria for the membership of these boards. Local Chief Elected Officials (mayors and county judges) will make the appointments to the local WIBs. A state Work Group is drafting a recommended set of criteria for the state WIB, which are

Criteria for Appointment to Local Boards

- Chief Elected Officials (CEOs) will identify those community-based organizations, entities, agencies, businesses, etc. eligible to provide nominations to local boards. The CEO will contact the entities and request nominations by a specific date.
- Business nominations must be made from those who are owners, chief executive or operating officers, and others with policymaking or hiring authority and that are reflective of the employment opportunities in the local area.
- Labor nominations must be made from labor organizations, local labor federations, or other representatives of employees.
- Education nominations must be made from local educational agencies, local school boards, entities providing adult education and literacy activities, and post-secondary institutions.
- Other nominations must be individuals with optimum policymaking authority within the entities they represent.
- Minority groups must be represented.
- The majority of members must be business representatives.
- There must be a minimum of two representatives each from education, labor, community-based organizations, and economic development agencies.
- There must be at least one member representing each One-Stop partner.
- The Governor must certify a local board for each local area once every two years.

Action - The state has set a deadline of September 30, 1999 for the state WIB to come up with criteria that the local chief elected officials will use to make appointments to the local WIBs. You can review the draft criteria on the ESD web site at <http://www.state.ar.us/esd/wiasublocalboards.htm> or see the summary in the box on this page. If you have thoughts or concerns about the criteria, communicate with the Work Group or with the members of the state WIB. Contact information is listed at the end of this document.

- **One-Stop System/Career Development Network** – The mechanism for delivering services under the Workforce Investment System is a One-Stop Delivery System. The One-Stop does not have to be one physical location. Instead, the One-Stop operator must guarantee that services will be available through one of several One-Stop partners. Each of these partners will sign a Memorandum of Understanding with the One-Stop operator. Mandatory partners include Employment Service, Adult Education, Vocational Rehabilitation, Welfare to Work, Title V of the Older Americans Act, Vocational Education, Trade Adjustment Assistance, Veterans Employment Services, Unemployment Compensation, Community Service Block Grant, and HUD employment and training activities. The mandatory partners must provide core services, which include eligibility determination, initial assessments, and job search and placement. Additional programs may also be One-Stop partners.

Action - The state plan must include a description of how the state will help local areas to set up One-Stop systems. Communicate with the state WIB regarding your concerns on this topic. Local WIBs will select organizations to operate the One-Stop centers. Communicate with the local WIB if you would like to be the One-Stop operator or have concerns about the One-Stop operator. See the back of this document for contact information.

- **Eligibility for Services** - The federal law sets up three categories of services – core, intensive, and training. Core services include assessments, job search and placement, and information about supportive services. Intensive services include more specialized assessments, counseling, and work experience. Training services include occupational skills training, on-the-job training, entrepreneurial training, job readiness training, and adult education and literacy. An individual must go through core and intensive services before he or she can get training. The Federal regulations, however, make it clear that there is no minimum time or minimum number of services that a person has to receive in each step. Therefore, a person could receive one core service and one intensive service and then get access to training. The regulations also state that any person who needs training to obtain employment that provides for a “self-sufficiency” wage should be eligible for training. The regulations define self-sufficiency wage as the “Lower Level Standard Income Level” which is \$25,140 for a family of four in metropolitan areas of the South and \$24,050 in non-metropolitan areas. Get on your local WIB or communicate with local WIB members.

Action – Local WIBs have responsibility for providing access to these services. And they have the authority to develop policies for how these services will be provided. Get involved in this decision-making so that these policies will make it as easy as possible for individuals to get access to the training they need.

- **Certifying Eligible Training Providers** –The state must come up with a system for certifying eligible training providers that will be managed at the local level. A state Work Group has been established to make recommendations to the state WIB about this process. According to the law, individuals in the Workforce Investment System can only access training through an eligible training provider. Post-secondary institutions and federally recognized apprenticeship programs are automatically eligible for the first year. All other training providers must meet a set of performance indicators to be initially eligible. After the first year, all training providers, including post-secondary

Action - The state has set a deadline of March 31, 2000 for developing this system. To influence this policy, get involved in the state Work Group that is developing recommendations on this topic, watch the developments of the group on the ESD web site at <http://www.state.ar.us/esd/wiaworkgroups.htm>, and communicate with state WIB members about your concerns.

- **Individual Training Accounts** – Individuals will pay for the training provided by the eligible training providers with an Individual Training Account (ITA). Training must be provided through the ITAs except for a few exceptions where contracts can be used: on the job training or customized training, where an inadequate supply of training providers exists, or for programs that have demonstrated an ability to work with individuals with multiple barriers to employment.

A state Work Group is developing draft criteria for establishing ITAs. Some of the issues they are considering include: 1) the process for how ITAs will actually work; 2) the dollar amount of the ITA, including whether or not it should have a cap and whether or not the cap should be disclosed to the customer; 3) the shift in decision-making from the case manager to the customer; 4) the types of training choices that are available, including the types of occupations and the match between the customer's background and the training available; 5) the types of activities for which ITAs can be used, including training and supportive services; 6) the amount of flexibility given to local workforce areas to create their own ITA procedures; and, 7) coordination of Pell Grants and ITAs.

Action - The deadline for developing this policy is March 31, 2000. To affect the shaping of the policy, get involved in the state Work Group, watch the ESD website for the recommendations from the Work Group, and share your concerns with state WIB members.

- **Program Accountability and Statistics System/Performance Measures** - This is one of the most complicated topics for WIA implementation because of the cost and the lack of an existing system for data collection. Two state Work Groups are looking at aspects of this issue: Management Information Systems (MIS) and Unemployment Insurance (UI) Wage Records. The MIS group is looking at issues around the following: Title I performance, selection of a new MIS, Title I participant and performance reporting, and financial reporting. The UI group will look at how best to use UI wage records for tracking employment status and earnings and will also look at evaluations. The law requires that performance be measured on the following core indicators: entry into unsubsidized employment, retention after 6 months, earnings after 6 months, and attainment of a recognized credential. Information will also be tracked on program costs and customer satisfaction.

Action - The state has set a deadline of March 31, 1999 for this work. To affect the shaping of these policies get involved in the State Work Group, watch the ESD website for the recommendations from the Work Group, and share your concerns with State WIB members.

- **Ensuring that Workforce Plans Support TEA Plans** - As the new Workforce Investment System is developed, it is important that it complement the work being done by state agencies and local TEA coalitions around welfare reform. A provision in both Arkansas' new Workforce

Workforce Investment Act requires that the state plan include a description of how the state will ensure that local WIBs include information on how they will support TEA implementation plans for the counties in their service areas.

Action - The state WIB is responsible for including this in the state plan. The state has set a deadline of March 31, 2000 for developing these guidelines. Contact state WIB members with your concerns.

- **Waivers** - Under the law, local workforce boards cannot directly provide training services unless they get a waiver from the Governor. A state Work Group has been established to look at this topic, but they are delaying action until a local board requests such a waiver.

Action - Communicate your thoughts about policies on this topic to the state Work Group or to the state WIB.

HOW TO GET INVOLVED

- **State Workforce Investment Board** - Members of the state WIB have been named, and a first meeting was held July 13, 1999 in Little Rock. Duties of the state WIB include developing the state plan, developing a state workforce investment system, designating local areas, developing funding allocation formulas, developing an employment statistics system, and developing state performance measures. The Chair of the Board, Bill Fisher, has named an Executive Board that will serve for 6 months. A new Executive Board will be named in January 2000. The Executive Board will meet the 2nd Tuesday of each month at 10:00 am, except in months when the full board meets. The full Board will meet quarterly. Their next meeting is October 12 at 10:00 am. The Executive Board will meet at 9:00 am that day. Linda Bean has been named as the Executive Director for the Board.

Action - Attend state WIB meetings and communicate with state WIB members. Communicate with the WIB's Executive Director, Linda Bean. Contact information is listed at the end of this document.

- **Implementation Work Groups** – ESD has established a series of Work Groups to provide policy guidance to state agencies and the state WIB regarding the implementation of WIA. The first meeting of these workgroups was held May 13, and the groups have continued to meet over the summer. The Work Groups include the following: Transition/Closeout of JTPA, Management Information Systems, UI Wage Records, Outreach/Public Relations, Eligible Training Providers, Memorandums of Understanding, Waivers, Workforce Investment Boards, Individual Training Accounts, Youth Councils, Rapid Response, and Career Development Network Certification Criteria.

Action - Check out the ESD web site at www.state.ar.us/esd/wiaworking_groups.htm to find meeting minutes from the workgroups and information about how to join them.

- **Local Workforce Investment Boards** - Local WIBs will have many responsibilities including the following: developing a local plan; designating or certifying One-Stop operators and terminating, for cause, the eligibility of the operators; identifying eligible providers of youth activities in the local area by awarding grants or contracts on a competitive basis, based on the recommendations of the youth council; identifying eligible providers of training services, using criteria established by the state; identifying eligible providers of intensive services in the local area if the One-Stop operator does not provide them; developing a budget for the purpose of carrying out the duties of the local board subject to the approval of the chief elected official; and, providing a progress report annually to the State WIB.

Action - One way to get involved at the local level is to get appointed to the local WIB. Talk with your county judge or mayor to see if he or she will appoint you to the WIB. If you are not appointed, find out who is on the WIB and communicate with them. Attend local WIB meetings.

- **One-Stop Partners** - Each One-Stop Partner must enter into memorandum of understanding with the local WIB that includes a description of the services to be provided, how the costs will be funded, methods of referral, and other appropriate information.

Action - Another way to get involved is to become a One-Stop Partner and provide core services such as assessments, job search, placement, and counseling, and follow-up services. Contact the local WIB if you are interested in being a One-Stop Partner.

- **Eligible Training Providers** - As is described above, most training activities in the Workforce Investment System will be provided by training providers who have been certified as eligible by the local WIB. Individuals will have Individual Training Accounts that will be used to pay for the training with the eligible providers. Post-secondary institutions and federally recognized apprenticeship programs will be automatically eligible to become training providers. All other providers will have to meet criteria to become initially certified. In subsequent years, all training providers will be required to meet performance standards to remain eligible.

Action - Post-secondary institutions and apprenticeship programs will be automatically eligible. Other training providers must apply to their local WIBs to become initially eligible. To prepare for this process, training providers should begin to think about how they will measure the performance of their programs.

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must meet performance
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