

Congress Enacts Far-Reaching Overhaul of Nation's Workforce System

Article By:

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In the midst of all the publicized dysfunction, Congress managed to pass a major piece of employment-related legislation quickly and with little fanfare. On July 22, 2014, President Obama signed the **Workforce Innovation and Opportunity Act (WIOA)** – a bipartisan, bicameral bill introduced on May 21, 2014 – into law. According to the United States **Department of Labor**, “WIOA is designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy.” WIOA marks the first legislative reform in 15 years of the public workforce development system.

Generally, the law streamlines programs, reporting, and administration in the workforce development system. WIOA eliminates 15 existing federal training programs, including **Workforce Investment Act (WIA)** incentive grants, WIA pilot and demonstration projects, and the **Workforce Innovation Fund (WIF)**. It creates common measures across core programs for both adults and youth, and mandates a single, unified plan for all core programs.

WIOA retains the basic structure of WIA, i.e., occupational training; adult basic education; literacy and English language acquisition; and vocational rehabilitation. The act also reaffirms the Wagner-Peyser Act of 1933 (as amended by the WIA passed in 1998), which initially provided for a national employment system managed by the states. WIOA improves upon the current WIA in several, key areas by:

- streamlining state and local workforce development bureaucracies;
- reducing the size of state and local and state workforce boards;
- providing standardized metrics for workforce boards and training providers;
- increasing flexibility for training at the local level;
- encouraging local authorities to develop programs that prepare trainees for industry-recognized credentials; and

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- abolishing “sequence of services” regulations, allowing trainees to get credit for prior learning and other knowledge they bring to training.

The majority of WIOA provisions will become effective on July 1, 2015, the first full program year after enactment. However, the Act includes several provisions that become effective on other dates. For example, the WIA state and local plans remain in effect for plan year 2015, and the new “State Unified Strategic Plan” is to be submitted for plan year 2016, which begins July 1, 2016. In addition, the WIA performance accountability provisions will take effect at the beginning of plan year 2016.

The Act authorizes approximately \$9.5 billion in funding for 2015. Although a portion of this money is reserved for anti-poverty programs such as Job Corps, \$2.8 billion will fund training open to a wide range of U.S. workers. Funding will increase slightly through 2020.

The new Act recognizes that employer engagement in the process is the key to effective, contemporary workforce development. Your business or employer association can become involved and benefit from WIOA’s provisions by:

- qualifying as a training provider and obtaining a competitive grant from your local workforce board;
- getting paid for training through an individual training account or training contract;
- being reimbursed by your local workforce board for the on-the-job, incumbent-worker, or customized training you provide;
- developing a partnership with a local training provider, such as a high school or community college, to help plan and assist in providing services;
- entering into a sector partnership with other local stakeholders to develop a strategy for closing a skills gap in your industry;
- serving on or chair your local workforce board;
- participating in a business consultation convened by your local workforce board;
- becoming involved in the process that produces your Kentucky’s four-year strategic plan for workforce development; and
- joining the consortium that runs your local one-stop center.

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