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# Bipartisan Workforce Bill Makes Critical Progress—But Leaves Room for Improvement



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The House-passed bipartisan *A Stronger Workforce for America Act* (ASWA) makes critical updates to the *Workforce Innovation and Opportunity Act* (WIOA). For the last decade, WIOA has been the foundational legislative vehicle of our nation’s workforce development system. And it’s showing its age.

ASWA is a huge step in the right direction toward creating a robust and comprehensive workforce development system, but it still leaves room for improvement. In the memo below, we highlight key parts of the legislation and areas where we think policymakers can do more. Specifically, we strongly support that ASWA 1. Codifies key programs that help more workers access training, 2. Increases support for upskilling employees, and 3. Bolsters data and tracking quality outcomes.

As the Senate works on their draft version of this bill, we recommend they build upon the House's progress and 1. Raise funding levels significantly to achieve the legislation's goals, 2. Ensure supportive services are easier to access, and 3. Expand efforts to ensure and track quality outcomes for workers.

## Three Areas to Cheer About in ASWA

Three notable areas in the House-passed bill include:

### 1. Codifies key programs that help more workers access training.

There are several impactful workforce grant programs that ASWA codifies to ensure they are emphasized in the appropriations process. These include:

*The Reentry Employment Opportunities (REO) Grant Program:* This program supports justice-involved individuals reentering the workforce. Grants support organizations' efforts to provide skills-training courses, connect workers with community colleges, and facilitate mentorship opportunities. It also places an emphasis on improving earnings and supporting existing successful state-level efforts. <sup>1</sup>

*Strengthening Community College Workforce Development (SCCWD) Grant Program:* The SCCWD grant program invests in expanding the ongoing workforce development efforts at community colleges. Specifically, the program focuses on cultivating partnerships between local employers across in-demand industries and prioritizes community colleges serving students with barriers to employment. This includes individuals with disabilities, justice-involved individuals, and those from historically underrepresented backgrounds. <sup>2</sup>

*The Workforce Data Quality Initiative:* This initiative provides grants to states for improving the quality of workforce data, with a focus on providing real-time labor market information, information on wages and income, and improving data transparency. <sup>3</sup> ASWA requires 5% of adult and dislocated worker funding to be used toward this program.

### 2. Increases support for upskilling efforts by employers.

ASWA makes it easier for employers to train their workers for the jobs of tomorrow—also known as upskilling. It also ensures communities can adapt to workforce needs in real time. Specifically, the *Critical Industry Skills Fund* allows states, at the governor's discretion, to partially reimburse employers, sector partnerships, and other intermediaries for upskilling workers in industries deemed in-demand by the state. <sup>4</sup> The fund will have a “pay-for-performance” model, meaning

workers must complete their program and be employed or retained in an industry for employers to receive reimbursements. <sup>5</sup>

ASWA also increases the amount of funding for upskilling efforts in a few different ways. First, it increases the amount of adult and dislocated worker funding designated to help individuals develop their skills through “individual training accounts” (ITAs). Next, it supports on-the-job or employer-directed upskilling efforts. Finally, the legislation also increases the cap on funds a local workforce board may use on “incumbent worker training” to 30%, with the possibility for greater increases depending on regions’ unemployment and labor force participation rates. <sup>6</sup>

These efforts allow communities to better respond to the shifting economic realities they are experiencing—such as unemployment, job creation from infrastructure or clean energy investments, and job destruction as a result of factors like automation. <sup>7</sup>

### **3. Emphasizes the importance of data and tracking quality outcomes.**

Access to high-quality data for employers, workers, and other partners is essential to a robust workforce development system. ASWA makes key reforms aimed at increasing the quality and transparency of data. These efforts include:

- Directing governors to establish a credential navigation system that makes it easier for individuals to search and evaluate post-secondary credentials. <sup>8</sup>
- Asking eligible training providers to provide disaggregated data for varying populations. <sup>9</sup>
- Updating the performance indicators that evaluate program success to include median earnings gain of program participants. <sup>10</sup>
- Modernizing and improving the Eligible Training Provider List (ETPL) by creating a probationary period for newer programs that requires certain outcomes to meet standard eligibility status, streamlining the application process, providing increased transparency, and ensuring providers are meeting standards. <sup>11</sup>

## **Three Things to Expand and Improve**

As the Senate considers their own WIOA modernization, there are a few areas that can be expanded and improved from the House-passed version:

## **1. Significantly raise funding levels to achieve the legislation's goals.**

ASWA makes considerable strides toward reforming our workforce development system and sets out several new ambitious initiatives, but it does not increase funding levels sufficiently to achieve those goals. The bill authorizes just \$3.3 billion in annual spending—reflecting barely a 1% increase over 2020 levels. It also maintains those levels through 2030.<sup>12</sup> This means that workforce dollars must now go further in an already underfunded system.

An increased focus on quality outcomes and data collection is a significant win in the bipartisan bill, but workforce boards, community colleges, and other organizations will face higher barriers in delivering on these requirements without more funds.<sup>13</sup> And while the bill places a significant emphasis on innovation, a lack of funding will stifle these efforts.<sup>14</sup> Increased flexibility alongside higher funding could also help WIOA dollars go further and better meet the needs of states and localities.

More resources also means more money could flow into growing the number of apprenticeships across the country, which will help put more workers, especially those who face barriers to employment, on the path into high-quality careers.

Upgrading our workforce development system requires significant investments—and the Senate should make that a priority when taking up this bill.

## **2. Ensure supportive services are easier to access.**

There is a new stipulation that 50% of any WIOA funding must be reserved for training purposes. Given that the legislation maintains funding levels in practice, this requirement likely means fewer dollars are available for the other needs associated with helping workers access high-quality jobs.<sup>15</sup> This includes things like career navigation, mentorship, and support with child care or transportation costs. As a result, many community colleges or other partner organizations will likely need to scale back their support services, further shutting out workers with barriers to employment from the workforce.

The new 50% training requirement on WIOA funds should be accompanied by either higher funding levels in the bill overall or with dedicated additional funding for supportive services. This additional funding could also include direct aid to the staff helping workers access supportive services. A training requirement may help ensure WIOA participants better access the skills training they need, but it should not be done at the expense of the services that help them thrive in these programs. Supportive services are a key tool to helping workers, especially those from underrepresented populations, access and complete skills-training programs. And without them, many workers will find it even harder to get the training they need to succeed.

### **3. Go further on efforts to ensure and track quality outcomes for workers.**

While ASWA makes notable improvements to the Eligible Training Provider List (ETPL), the lack of strong enforcement mechanisms for these reforms will likely hamper their success. And with concerns over whether providers on this list are doing their part to provide quality outcomes for workers, this could make things harder in the long term.<sup>16</sup> More also should be done to better centralize and gather data on credentials, equity outcomes, training programs, and providers to better support workers as they navigate the workforce development system.<sup>17</sup> Designated funding to support providers in reporting and tracking these data points would also ensure heightened requirements and reporting do not become overly burdensome.

## **Conclusion**

WIOA is the legislative base of our workforce development system. ASWA provides long overdue updates that will help prepare more workers for the jobs of the future and also prioritizes accountability and flexibility. But there is more that policymakers can, and should, do to make the system easier to use for both employers and workers. We are excited to see that the discussion draft version of the Senate bill takes on some of these key points, including an emphasis on supportive services and apprenticeships. While broader reforms are needed beyond just updating WIOA, we hope the final version of the Senate's bill maintains key changes and builds upon the House's work to get this much-needed update to our workforce system across the finish line.

## ENDNOTES

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