

Introduction:

Leaders in the Senate and the House have reached a bipartisan and bicameral agreement to reauthorize the Workforce Innovation and Opportunity Act (WIOA). This is a summary of the new “A Stronger Workforce for America Act,” (ASWA).

Please note that NAWB is still in the process of reviewing this legislation and welcomes further input and perspectives from members. Notably, the legislation has the same title of the WIOA reauthorization proposal passed by the House earlier this spring. Many of the main components of this legislation appear to hew closely to this proposal. Based on an initial review of the proposed legislation, here are a few high-level takeaways related to a core set of issues NAWB and partners have been focused on throughout this process:

Training Mandate

- ASWA includes a 50% training requirement for all Title I Adult and Dislocated Worker funding streams.
- However, the legislation allows up to 8% of this requirement to be met through the provision of supportive services.
- The 42% training mandate can be fulfilled through the provision of training services, largely as defined in current law. Notably, contracted training services can be leveraged to meet this new requirement.
- New mandatory funding from the H1B visa program and amendments to Title III are intended to help account for these new requirements (see funding section elsewhere).

State-level Reservations

- The bill maintains Governor’s allowable 15% reservation for statewide workforce activities.
- In addition to this, ASWA would allow Governors to reserve an additional 10% of a State’s WIOA allocation to support the development of a “Critical Industry Skills Fund” or an “Industry or Sector Partnership and Career Pathways Development Fund.”
- These funds, which could be created at the Governor’s discretion, would be used to focus resources on upskilling workers within key industries in states or to support a wide range of other education and training experiences with related cost-matching requirements.

Redesignation

- Governors would be required to initiate a review of existing local workforce development areas (LWDAs) in the state any time before the 3rd program year.
- Governors would be allowed to propose new LWDAs or maintain existing areas after this review has been completed.
- If a Governor proposes new LWDAs, the Chief Elected Official of each WDB would vote to approve or disapprove of this proposal. If approved, a Governor’s new LWDA designation proposal would take effect the following PY.
- If this proposal is disapproved, locals would be required to vote on two alternative options for LWDAs in the state—ones that align with Economic Development Areas in the state or designated regions outlined by the Governor at the start of ASWA’s implementation.
- The results of this vote would determine LWDAs in the state moving forward and would come into effect the following PY.

Youth Work Experiences (WEX)

- ASWA would require at least 40% of Title I Youth funding to be used for work experiences (up from 20% in current law).
- These requirements could be fulfilled in a wide variety of ways including through new summer and year-round youth employment initiatives (authorized elsewhere in the legislation), pre-apprenticeship and apprenticeship programs serving youth, internships (both paid and unpaid), job shadowing, and a range of other work-based learning opportunities (as defined by the Carl D. Perkins Career and Technical Education Act).
- Notably, 12.5% of the 40% requirement is required to be used for pre-apprenticeship and apprenticeship programs serving youth.

Funding

- ASWA would provide new mandatory funding from the existing H1B visa program, \$65 million of which would be used for new Youth Apprenticeship Readiness Grants (YARG) with the remainder (approximately \$150 million) to be used for individual training accounts (ITAs).
- ASWA proposes a roughly 3% across the board increase in funding for Title I for the next five years. NAWB is still determining proposed funding levels for other aspects of the legislation, including Title III, which are intended to account for other changes made by the legislation (such as the training mandate, use of labor market information, and more).
- Importantly, authorized funding levels after the initial PY would remain static for the duration of the law’s authorization period (5 years total).

Program	FY24 (Enacted)	ASWA	(Aggregate Difference)	(Percent Difference)
Title I (in thousands)				
WIOA Adult ETA	\$885,649	\$912,218	\$ 26,569	3.00%
WIOA Youth Activities	\$948,130	\$ 976,573	\$ 28,443	3.00%
WIOA Dislocated Worker ETA	\$1,095,553	\$1,161,487	\$ 65,934	6.02%
WIOA DW National Activities	\$300,859	\$290,371	\$ (10,488)	-3.49%

Local Board Composition

- Increases required labor representation to 30% (up from 20%) on local workforce boards.
- Expands the list of eligible entities able to fulfill postsecondary education representation on local workforce boards.
- Does not require the use of new standing committees (but maintains several as optional for board consideration)

Implementation Timeline

- In general, many of the requirements contained in ASWA would come into effect July 1, 2025.

- However, the legislation provides for an “orderly transition” during this period for the U.S. Department of Labor (DOL) to promulgate new implementing regulations. This means some aspects of the current proposal would likely take effect in July 1, 2026 although this will be at the complete discretion of DOL.

Other Notable Provisions

- Clarifies budget authority of local boards over resources allocated to local workforce development areas.
- Increases existing limitations on the percentage of WIOA funds that can be used at the local level for Incumbent Worker Training and Transitional Jobs.
- Greater flexibilities and funding provided for local coordination and alignment around service delivery, especially as it relates to the use and maintenance of one-stop centers. These include new provisions related to virtual one-stop service delivery and the use of affiliated sites to help ensure access to critical services.
- Eliminates local negotiation process for the funding of one-stop center infrastructure costs and largely makes use of the law’s existing state-funding mechanism to support these expenses.
- The provision of professional development opportunities for staff and members of state and local WDBs.
- Allows for public outreach and marketing of federally funded workforce initiatives to increase the public’s awareness and familiarity with opportunities within the public workforce system.
- Creates a new, broader definition for “Opportunity Youth” to replace “out of school youth” and modifies the mandated split of youth funding to 70% (down from 75% in current law). Would allow for certain youth to qualify for ITAs.
- Significantly overhauls how eligible training providers are identified, what criteria are used to establish and maintain eligibility, and aims to improve the quality of training services provided.
- Allows local boards to serve as one-stop operators so long as they meet certain conditions and eligibility requirements.
- Increases State obligations to assist, support, and facilitate data collection and subsequent reporting, especially with regard to outcomes reporting for training providers and local areas.
- Significant new emphasis on skills-based hiring initiatives in many aspects of the legislation.
- Codification of the Workforce Data Quality Initiative to support improvements of state workforce longitudinal data systems and other related efforts.
- Formally defines co-enrollment as a way to better promote this strategy as a systemwide priority to help more individuals access and receive the services they need.
- Expands the definition for foundational skills needs to include digital literacy skills— a reflection regarding the role of these competencies in an increasingly digital-first world.

NAWB is continuing to review the agreement for other notable provisions of interest to members and the wider community. At this time, lawmakers are seeking to advance this legislation through a process in the Senate to develop unanimous consensus. If this effort is unsuccessful, leaders have indicated that they will try to advance this proposal via other means in the remaining and limited days left of the 118th Congress.