

May 6, 2025

The Honorable Tim Walberg Chair House Committee on Education & Workforce Rayburn House Office Building Washington, D.C. 20515

The Honorable Bill Cassidy Chair Senate Committee on Health, Education, Labor and Pensions Washington, D.C., 20510 The Honorable Robert "Bobby" Scott Ranking Member House Committee on Education & Workforce Rayburn House Office Building Washington, D.C. 20515

The Honorable Bernie Sanders Ranking Member Senate Committee on Health, Education, Labor and Pensions Washington, D.C., 20510

Dear Chairs Walberg and Cassidy and Ranking Members Scott and Sanders,

We write as a group of national membership associations representing a wide range of local stakeholders tasked with the implementation of the Workforce Innovation and Opportunity Act (WIOA) to provide recommendations as Congress considers reauthorizing this critical investment in our nation's workforce.

In the previous Congress, WIOA reauthorization was nearly enacted in the form of the A Stronger Workforce for America Act (ASWA). While there were elements of this legislation that would help modernize our nation's public workforce development system, our respective memberships continue to strongly believe that future WIOA proposals should be further refined in the 119th Congress to better support employers, workers, learners, and the local communities.

Fully Fund the Public Workforce System

WIOA provides a return on investment of \$15 for every \$1 spent¹, yet funding for WIOA has steadily eroded over the last decade, and inflation has increased the cost of WIOA programs and services. Locally WIOA has been successful in leveraging funds for activities like apprenticeships, summer youth programs, adult and youth career exploration and piloting innovative opportunities for new businesses. As the network that serves job seekers and small businesses and supports strong local economies, the one stop career system is a stable and critical partner to economic

¹ https://futureworksystems.com/board-infographic-2023

development and is recognized as one of the most impactful and remunerative investments Congress has made, and can continue to make, in the years ahead.

We strongly support fully and adequately funding the public workforce system and increasing available funding for workforce development activities during the authorization period for a new law so that the system can play an active role in turning unemployed workers into taxpayers.

Ensuring Success by Going Beyond One-Size-Fits-All Training Requirements

Our organizations share the goal of maximizing the availability of training services provided through the public workforce system. At the same time, our members are keenly aware of the complex challenges facing individuals served through WIOA, including transportation, equipment purchases, work uniform expenses, childcare, and more. These supportive services remain critical to the successful completion of training opportunities made available via the public workforce system. Our organizations therefore strongly oppose narrowly defined, one-size-fits-all federal mandates that disregard the important role these supports, and other services, play in producing the skilled workforce that employers of all shapes and sizes, both urban and rural, need. Several states already make use of training requirements. In Florida, for instance, the state has long had a requirement that at least half of workforce funds be expended on training. Notably, however, the state considers a wide range of critical services, including case management that directly support individuals enrolled in training and other key training-related costs, to count towards this policy.

Future WIOA legislation should necessarily reflect these and other states' policy frameworks which strike a much needed balance between incentivizing training while ensuring completion and success.

To further strike this balance, we respectfully request that you also consider including 1) internships (or other paid work experience) in the definition of training; 2) the cost of case management and support services while individuals are in training in the definition of training; and 3) allowing Governors to provide waivers to a local area for a given period of time due to economic conditions.

Preserving Locally-Driven Workforce Infrastructure

Workforce development boards and related local areas necessarily reflect the communities they were created to serve and provide locally developed solutions. Previous WIOA reauthorization proposals have sought to circumvent and diminish the role and critical perspectives of local stakeholders and chief elected officials as part of wider workforce area redesignation schemes and single-state area designation allowances. Our organizations believe that options considered as part of these efforts include options that allow local stakeholders to negotiate and propose alternatives as part of these processes and be subject to approval by all impacted entities.

More fundamentally, any change facilitated or promoted by future WIOA legislation should necessarily result in better outcomes for both participants and employers as measured through the law's existing accountability framework, including the ability to maintain or exceed current levels of service delivery. Such guardrails are critical to ensuring the future success of the public workforce system and to ensure that rural communities and other historically underserved areas within states are not harmed by these initiatives.

State-level Set-Asides

As noted earlier, top-down federal mandates rarely have the desired effect and often lead to many unintended consequences. Prior to the passage of WIOA, Congressional appropriations leaders reduced the amount a Governor could reserve for statewide workforce initiatives to 5 percent after

several program years where states struggled to expend these reservations under WIA. The 2014 reauthorization reinstated this allowable reservation back to 15 percent after several years of careful negotiation. In the years since, there has been little objective evidence that supports the need to increase statewide reserves, particularly at the expense of local workforce infrastructure which serves as the primary focal point for employer engagement, participant access, and service delivery.

We therefore strongly support maintaining the current allocation of state and local WIOA funding which has resulted in \$61.6 billion in additional participant earnings in the most recent program year.²

Digital Literacy

Digital literacy skills are increasingly essential for success in today's rapidly evolving economy. These competencies enable employees to effectively navigate, evaluate, and utilize digital tools and information, fostering efficiency, innovation, and adaptability in a rapidly evolving technological landscape. We therefore strongly support the expansion of key definitions in future WIOA legislation, like foundational skills and basic skills deficient, to explicitly include digital literacy skills in recognition of these new realities.

Promote Efficiencies in Local System Delivery

We strongly recommend providing dedicated funding for the physical infrastructure costs of onestop centers mandated by WIOA. Dedicated funding for this purpose would have the additional benefit of freeing up more funding for training and supportive services. Our organizations also believe it is critical that future WIOA legislation provides greater flexibility for LWDBs to expand access to services through using a network of affiliated locations, such as libraries and community colleges, and by allowing for the use of virtual services where appropriate for one-stop service delivery.

Flexibility and Support for Local Governments and Workforce Boards

Flexibility for local governments and workforce boards (LWDBs) is crucial as it allows them to tailor workforce development strategies to meet specific needs and respond swiftly to evolving economic conditions and employment challenges. We strongly support future clarifications of LWDBs budgetary authority over the administration of adult, dislocated workers, and youth workforce development activities within local workforce areas, allowances for LWDBs that meet certain conditions to serve as one-stop operators, and increased flexibilities for incumbent worker and on-the-job training.

We also recommend allowing for public outreach and marketing of federally funded workforce initiatives to increase the public's awareness of and familiarity with these opportunities. Greater flexibility is also needed to successfully operationalize youth-work experience requirements that help to facilitate high-quality career exposure and experiential work-based learning opportunities for youth participants.

Looking Ahead

We look forward to working with you to thoughtfully and meaningfully update our nation's public workforce system. If you have any questions or would like to discuss these recommendations further, please do not hesitate to reach out to our staff: Eryn Hurley (NACo) at ehurley@naco.org, Gail Ravnitzky Silberglied (NAWB) at silbergliedg@nawb.org, Stephanie Martinez-Ruckman (NLC) at

² <u>https://www.linkedin.com/pulse/demonstrating-value-wioa-strong-return-investment-geoff-smith-8hoec</u>

martinez-ruckman@nlc.org, Kathy Amoroso (USCM) at <u>kamoroso@usmayors.org</u>, or Chris Andresen <u>Chris.Andresen@dutkogr.com</u>.

Sincerely,

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CC: Members of the House Education and the Workforce Committee and Senate Health, Education, Labor and Pensions (HELP) Committee