



June 4, 2024

The Honorable Bernie Sanders
Chairman
Committee on Health, Education, Labor
and Pensions
U.S. Senate
Washington, DC 20510

The Honorable Bill Cassidy
Ranking Member
Committee on Health, Education, Labor
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U.S. Senate
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The Honorable Virginia Foxx
Chairwoman
Committee on Education and the
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U.S. House of Representatives
Washington, DC 20515

The Honorable Bobby Scott
Ranking Member
Committee on Education and the
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U.S. House of Representatives
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Chairman Sanders, Ranking Member Bill Cassidy, Chairwoman Foxx, Ranking Member Scott, and Other Congressional Leaders:

As Congress considers reauthorizing the Workforce Innovation and Opportunity Act (WIOA), the National Association of State Workforce Agencies (NASWA) would like to put forward a set of guiding principles and high-level recommendations to inform this work.

As a non-profit and non-partisan organization whose membership is comprised of workforce agencies in all fifty states, the District of Columbia, and U.S. territories, NASWA brings a unique and diverse perspective to the challenges facing our nation's workforce. Our members are on the frontlines of policy development and service delivery for programs as varied as workforce development, unemployment insurance, labor market information, veteran reemployment, and registered apprenticeship. Notably, our members administer a broad range of programs authorized under WIOA and are key partners within the nation's public workforce system.

Our organization and its state workforce agency members are keenly aware of the many unique challenges facing the U.S. economy and labor market. Global competition continues to impose pressures on American businesses and workers; ongoing technological change and the more recent ascent of artificial intelligence pose risks to workers across a range of occupations; industries, businesses, and workers continue to recover from the disruptions stemming from the COVID-19 pandemic; and

an aging population has the potential for significant labor shortages in the coming years.

Recognizing these many challenges and acknowledging the need for workforce system reform, NASWA's Employment & Training Committee, which brings together state workforce development directors from across the country, has collaborated over the course of several months on a set of recommendations for WIOA Reauthorization. This work builds upon: (1) NASWA's 2024 Legislative Priorities ([link](#)); (2) more than 40 pages of individual state comments NASWA collected on the House of Representatives' WIOA Reauthorization Bill (*A Stronger Workforce for America Act, H.R. 6655*); (3) several discussions held between NASWA's members and Congressional Committee staff; and (4) a series of discussions held within NASWA's Employment & Training Committee.

Ultimately, these recommendations fall under the following six guiding principles:

1. A public workforce system with **a prominent state role.**
2. A public workforce system that is **agile, flexible, and innovative.**
3. A public workforce system that is **accessible and equitable.**
4. A public workforce system that is **aligned and coordinated.**
5. A public workforce system that is **evidence-based and data-informed.**
6. A public workforce system that is **sufficiently funded.**

We appreciate the work Congress has done to date to advance meaningful reforms to WIOA and especially appreciate the willingness of Committee staff to engage in productive policy discussions with our members on topics as varied as WIOA's performance accountability system, state statutory funding formulas, staffing flexibility, and our concerns around the House Bill's proposed minimum 50 percent training requirement for Adult and Dislocated Worker program funds.

Thank you for your thoughtful consideration of these recommendations, which we hope can meaningfully inform and contribute to Congress' ongoing deliberations around WIOA Reauthorization. Going forward, we welcome the opportunity to engage further and continue serving as a resource on this important issue.

Sincerely,



Michael A. Harrington
NASWA Board Chair
Commissioner, Vermont Department of Labor



Scott B. Sanders
President & CEO
NASWA

1. A Public Workforce System with a Prominent State Role

State workforce agencies are uniquely positioned to guide, administer, and support a robust workforce development system that can meet the challenges of a dynamic, competitive, and globalized 21st century economy. In particular, state workforce agencies: (1) play a key coordinating role across states, regions, and local workforce development areas; (2) build vital connections between the public workforce system and state-level partner agencies (e.g., economic development, higher education, human services, transportation); (3) provide important data and analytical capacity via state Labor Market Information (LMI) shops; and (4) are ideally positioned to carry out both the visions and goals of Governors and State Workforce Development Boards. States also have the scale needed for advancing and implementing strategic investments, technology solutions, and other initiatives efficiently and effectively. As such, any reforms to the nation's workforce development system should feature a prominent state role.

Recommendations:

- Maintain a strong state role throughout the public workforce system, including through the Wagner-Peyser program, labor exchange services, rapid response activities, and management of the Eligible Training Provider List. This should be paired with flexibility for states to determine their own models of service delivery to best serve customers in their jurisdictions.
- Increase the investment for governors' statewide needs to 20% while enabling states to reserve a lower percentage if they choose. These funds are critical for developing statewide solutions to cross-region challenges facing both employers and priority populations, ensuring states can address high-priority workforce issues cost-effectively, building the evidence and infrastructure that local areas depend on, and driving workforce system innovation.
- Further enable governors to determine local workforce development area configurations in a manner that meets local needs while also promoting efficiency and aligning with the economic realities of a global 21st century economy.
- Establish mechanisms for states to further support the one-stop delivery system to improve and advance greater uniformity of service across local areas.
- Ensure that states have a leading role in adopting and implementing technology solutions to enhance the experience for both individual and employer customers in the workforce system.
- Ensure that state workforce agencies have an important role in any newly-authorized WIOA programs or funding sources.

2. A Public Workforce System That is Agile, Flexible, and Innovative

As the U.S. grapples with a broad range of economic and labor market challenges, it is imperative that state workforce agencies have the flexibility to adapt and respond to these challenges as they arise. The global COVID-19 pandemic, the emergence of artificial intelligence, and an aging population, represent just a few of the forces that necessitate a public workforce system that is both adaptable and truly innovative. As such, any reforms to the nation's workforce development system should provide states with greater flexibility to better serve individuals, employers, and communities amidst these and other changes.

Recommendations:

- Provide greater flexibility by enabling states to use funding across WIOA programs (including the Adult, Dislocated Worker, and Youth programs) to better address current local labor market conditions and anticipate future labor market disruptions.
- Provide states with the flexibility to allocate funding to specific workforce services as they see fit. Such flexibility is necessary for: (1) ensuring that workforce system customers have the agency to select the services that are most aligned with their short- and long-term needs and (2) enabling states and regions to adapt to local labor market conditions that can vary considerably across jurisdictions and different business cycle phases. Requirements for a minimum percentage of funds to be dedicated to a specific category of workforce services (e.g., training) would significantly undermine the principle of customer choice and the workforce system's ability to serve individuals.
- Broaden and streamline the eligibility requirements for the WIOA Adult, Dislocated Worker, and Youth programs so that the workforce system can better serve and expand access for youth, underserved individuals, and workers at high risk of displacement. In particular, this should include:
 - Expanding eligibility for the WIOA Dislocated Worker program to include the following: (1) workers in industries and occupations that are at risk of being unemployed due to disruption from technological change, trade, climate change, and other economic trends; (2) individuals in nontraditional employment settings (e.g., independent contractors); and (3) justice-involved individuals re-entering the workforce.
 - Enabling states to expand eligibility for the WIOA Youth program to include recent high school graduates, up to the age of 24, who are struggling to secure employment, as well as refugee youth in need of additional support.

- Providing states with flexibility to determine the percentage of WIOA Youth program funds that are allocated to in-school and out-of-school youth based on local labor market needs.
- Provide states with greater latitude to identify and set their own priority populations based on local labor market conditions.
- Provide states with greater flexibility to set their own operational, service delivery, and staffing models to meet local conditions and labor market needs. This should include state flexibility for Wagner-Peyser staffing to allow state and local employees, contractors, other personnel, or a combination thereof, to administer the Employment Service (ES) program.
- Simplify the requirements and processes for developing WIOA State Plans so that these documents can serve more as accessible, actionable, and guiding strategy documents as opposed to inaccessible, lengthy, and complex compliance documents that lack a coherent vision for a state's workforce system. Towards this end: (1) plan requirements should be reduced; (2) comment periods should be brief (i.e., no longer than 30 days); and (3) the frequency of these plans should be revised (e.g., from 2-years to 4-years), while enabling states to update their plans with greater frequency if they so choose. USDOL should develop WIOA State Plan requirements in partnership with states.
- Direct the U.S. Department of Labor to: (1) simplify and streamline the waiver request process, (2) automatically extend longstanding waivers to other states, and (3) provide states with the ability to efficiently opt-in to new waivers that have been approved for other states.
- Provide Governors with greater flexibility to determine the size and composition of State Workforce Development Boards. Federal standards for state and local workforce development boards should promote broad participation and representation, but these requirements should also be manageable and not overly burdensome to fulfill.
- Provide state workforce agencies with greater flexibility to determine the physical footprint of the one-stop system in their jurisdictions.
- To the extent any major changes are made to the public workforce system, provide states with sufficient time and flexibility (e.g., through gradual phase-in/ramp-up periods) to adopt and implement these reforms.

3. A Public Workforce System That Is Accessible and Equitable

A key pillar of the nation's workforce development system is providing support and career advancement opportunities to individuals with barriers to employment. Such an approach has the dual benefits of broadening economic opportunity for individuals while also increasing labor market participation. As such, reforms to the nation's workforce development system should be made with the ultimate goals of expanding access and providing meaningful employment and economic mobility opportunities for vulnerable, underserved, and priority populations.

Recommendations:

- Broaden the variety of supportive services that can be used to serve customers and ultimately place individuals into quality jobs along a pathway to long-term success.
- Streamline and simplify the requirements for designating and certifying one-stop centers to better enable the workforce system to partner with libraries, community-based organizations, and other entities in the delivery of workforce services. In order to encourage participation in the workforce system, these partners should be exempted from onerous requirements (e.g., infrastructure funding and reporting).
- Support states in the delivery of workforce services to justice-involved individuals, including through additional dedicated state-level funding and innovative reentry employment and training initiatives.
- Enhance the ability of states to conduct outreach to underserved individuals and small businesses and to increase the visibility of the workforce system.
- Modernize WIOA to provide greater flexibility in the delivery of virtual services and further enable online education and training providers to qualify for the Eligible Training Provider List (ETPL).
- Promote broader participation on the ETPL by minimizing the associated administrative burdens (e.g., onerous data collection requirements).
- Increase the ability for individuals to self-attest to meeting program eligibility requirements to minimize the burdens on underserved populations.

- Provide greater flexibility within WIOA's performance accountability system to both encourage and accommodate state efforts to serve priority populations—especially when responding to economic, social, and other crises.
- Maintain priority of service and service levels for veterans.

4. A Public Workforce System That Is Aligned and Coordinated

The public workforce system is comprised of a range of programs that are administered across multiple government organizations at the federal, state, and local levels. The broad range of challenges facing our nation's labor market underscores the pressing need for a workforce system that can seamlessly partner and coordinate with human services, education, economic development, and other government partners. As such, reforms to the nation's workforce system should further enable greater alignment and partnership to streamline strategies, operations, and services across systems.

Recommendations:

- Advance greater alignment and coordination between the WIOA Title I Adult, Dislocated Worker, and Youth programs; the WIOA Title II Adult Education and Family Literacy program; the WIOA Title III Wagner-Peyser Employment Service program; the WIOA Title IV Vocational Rehabilitation program; the Apprenticeship System; USDOL Veterans Programs; the Trade Adjustment Assistance Program; the Unemployment Insurance system; and the Reemployment Services and Eligibility Assessment (RESEA) program.
- Advance greater alignment between WIOA and other workforce, human services, economic development, corrections, housing, and education programs. Greater alignment around performance metrics, reporting requirements, data definitions, state plans, policies, and evidence-building efforts will reduce duplicative efforts, increase efficiencies, and ultimately drive more successful outcomes for customers.
- Advance policy reforms that make it easier to blend funding streams across systems and programs to better serve customers. In parallel, Congress should advance reforms that further enable states to leverage federal infrastructure and industrial investments (e.g., those made through the Infrastructure Investment and Jobs Act, the CHIPS & Science Act, and the Inflation Reduction Act) for workforce development.
- Advance policy reforms that result in greater consistency and uniformity of policy interpretation and implementation by the U.S. Department of Labor across regions and between the national, state, and local levels.

5. A Public Workforce System That Is Evidence-Based and Data-Informed

A functioning and innovative workforce system requires the data infrastructure and analytical capacity to effectively evaluate existing investments, advance system learning, and inform future policies, programs, and services. Accordingly, reforms to the nation's workforce system should invest in states' underlying data, research, and evaluation capacity and advance a system that is focused more on driving evidence-based policies and investments over the long-term rather than enforcing onerous compliance and reporting requirements over the short-term.

Recommendations:

- Increase funding and staff capacity for state workforce agency Labor Market Information (LMI) and research divisions.
- Support all state workforce agencies in producing locally actionable and timely workforce and labor market intelligence.
- Fund voluntary state participation in the Multi-State Data Collaborative and support state staff training in advanced data analytics so agencies can use their administrative data to create new products and tools and grow a state-driven data community that improves lives through better investments.
- The performance accountability system should provide useful information that is easy to implement and interpret and is aligned with other programs. Partner with NASWA and state workforce agencies to improve the system on topics like streamlining the negotiations process, improving performance indicators, expanding data access, and providing flexibility to test alternative measures. NASWA's Performance Measures Workgroup engages state program and data leaders and is a resource for such collaboration.
- Increase state workforce agencies' access to federal data sources, including the National Directory of New Hires, and ensure the services of a federal National Secure Data Service are informed by state workforce agencies' needs and priorities.

6. A Public Workforce System That Is Sufficiently Funded

Federal funding for workforce development has declined considerably over the past several decades, including in recent years. As examples, between 2002 and 2023, inflation-adjusted federal funding to states for the Wagner-Peyser Employment Service Program, Youth Activities Program, Adult Activities Program, and Dislocated Worker Activities Program declined by 47.5 percent, 50.6 percent, 44.9 percent, and 45.7 percent, respectively.¹ This long-term decline in federal funding has placed immense strains on the public workforce system and severely restricts the nation's ability to respond to the many challenges facing our economy and labor market—especially given the recent surge in costs associated with maintaining workforce system infrastructure as well as delivering employment and training services to American workers. Funding for the public workforce system represents a critical investment in America's future workforce, economic competitiveness, and long-term economic growth. As such, reforms to the nation's workforce system should significantly increase federal funding across workforce development and labor market information programs.

Recommendations:

- Significantly increase funding across all WIOA programs, especially the Wagner-Peyser Employment Service, Youth Activities, Adult Activities, and Dislocated Worker Activities programs.
- Increase funding for state Labor Market Information (LMI) and research divisions.
- Create new dedicated funding streams for apprenticeship and sector strategies.
- Provide innovation funding for states to develop and explore emerging technology solutions to improve service delivery and optimize customer experience.
- Modernize federal funding formulas for core WIOA programs. This should be done in a manner that: (1) limits the volatility in funding that can upend workforce system operations from one year to the next and (2) does not result in funding decreases for any states during the transition to the new funding formulas.
- Advance reforms that place reasonable limitations on the U.S. Department of Labor's ability to impose costly unfunded mandates on state workforce agencies through regulatory changes.

- Advance long-term dedicated funding streams instead of short-term, episodic, and/or competitive funding opportunities. Dedicated funding streams create workforce system efficiency, enable long-term planning, and support the implementation of effective strategies that meet the needs of employers and job seekers. In stark contrast, short-term, episodic, and/or competitive funding opportunities are inefficient, hinder the development of long-term strategy and capacity building, and prevent the scaling and replication of successful initiatives across industries, regions, and states.

References

¹ U.S. Department of Labor, Employment and Training Administration. "State Statutory Formula Funding." <https://www.dol.gov/agencies/eta/budget/formula/state>. Accessed May 2024; U.S. Department of Labor, Employment and Training Administration. "State Statutory Formula Funding Archive." <https://www.dol.gov/agencies/eta/budget/formula/state/archive>. Accessed May 2024; and Federal Reserve Bank of Minneapolis. "Consumer Price Index, 1913-Present." <https://www.minneapolisfed.org/about-us/monetary-policy/inflation-calculator/consumer-price-index-1913->. Accessed May 2024.