

A Stronger Workforce for America Act

Bill Summary

A strong workforce development system is vital to strengthening our economy and providing economic opportunity for more Americans. When the *Workforce Innovation and Opportunity Act* (WIOA) was enacted in 2014, it made critical improvements to streamline the maze of federal workforce development programs and enhance accountability through a single set of performance metrics. However, almost a decade later, significant challenges persist that hamper the workforce system's ability to provide high-quality services to workers and employers. *A Stronger Workforce for America Act* makes critical updates to WIOA that will increase the amount of skills development provided under the law, strengthen connections between employers and the workforce system, and put more Americans on the pathway to a successful career.

Upgrades the skills of more Americans

- Dedicates 50 percent of the adult and dislocated worker funding toward upskilling workers through "individual training accounts" (ITAs), on-the-job learning, and other employer-led and industry relevant initiatives.
- Provides eligible displaced workers with ITAs with a value of \$5,000 to enroll in high-quality reskilling programs and reconnect with the workforce by repurposing existing resources at the Department of Labor.
- Allows states to set-aside additional funds from their state allocation to establish a "critical industry skills fund." Through the fund, states will provide reimbursements to employers, sector partnerships, and other intermediaries for upskilling workers in the priority industries selected by the state. Reimbursements will occur only when the workers complete their program and are employed and retained in that industry.
- Raises the cap on "incumbent worker training" so local workforce boards, particularly in areas with low unemployment or high labor force participation, can help the currently employed workforce gain new skills to avoid displacement and advance their careers.
- Enhances the *Adult Education and Family Literacy Act* (WIOA Title II) by including digital literacy skills as a core component of adult education and emphasizing the use of "integrated education and training" so adult learners can develop basic skills while simultaneously preparing for an in-demand occupation or industry.

Delivers greater accountability and program quality

- Streamlines the "eligible training provider list" to ensure programs are aligned with the skill and hiring demands of employers by focusing the eligibility process on employment outcomes, providing an on-ramp for newer programs to receive eligibility under a performance-funding model, and creating a process for employers to "sponsor" a program as a signal of high quality and industry-relevance.
- Updates the performance indicators to better evaluate program success. The bill makes the percentage employed during the fourth quarter after exiting a program a labor market retention measure to hold programs accountable for ensuring participants have the skills to stay in the workforce. The bill also reforms the "effectiveness in serving employers" indicator to measure the percentage of participants in employer-connected learning such as "on-the-job training" or an apprenticeship.

- Strengthens and fully implements the performance accountability system in the law to hold states and local workforce boards accountable for achieving positive labor market outcomes for program participants and drive continuous improvement across the system.
- Modernizes the delivery of services to jobseekers by directing states to periodically reassess whether their WIOA “local areas” match the labor markets and economic development initiatives of the state, while encouraging the use of virtual services and existing community hubs to reach more jobseekers at a lower cost.
- Raises the standards for performance and student safety in the Job Corps program by conditioning the award and extension of campus operator contracts on successful performance and enhancing the improvement actions that must be taken if a Job Corps campus is not achieving successful student outcomes or keeping students safe while simultaneously affording campuses more local control over budgeting, programming and behavioral management.

Strengthens pathways to economic opportunity

- Creates a new definition of “opportunity youth” to replace “out-of-school youth” and provides greater flexibility to respond to local needs by requiring 65 percent of youth funds statewide be dedicated towards serving opportunity youth while allowing states to work with their local boards to determine the appropriate percentage for each local area.
- Places a greater emphasis on work-based learning for youth and enhances the quality of summer and year-round employment opportunities available, while authorizing the use of ITAs for in-school youth to participate in skills development programs outside of the courses offered by their school district.
- Codifies and strengthens a program to help individuals released from the nation's prisons transition back to meaningful employment and access skills and career pathways, while identifying and disseminating effective strategies to improve outcomes and reduce recidivism.
- Strengthens workforce education programs at community colleges that align with in-demand jobs by emphasizing programs with industry partnerships and those that use competency-based assessments to award academic credit for prior learning.

Fuels innovation for a skills-based economy

- Authorizes a demonstration authority to allow several states and local workforce boards to receive their Title I funds as a consolidated grant for five years, with flexibility to restructure their state or local workforce system to meet the needs of their workers and employers, while retaining basic workforce protections and programmatic accountability.
- Provides transparency on the credentials that are awarded by eligible providers to include credential-specific information on the awarding entity, industry recognition, the skills and competencies the credential signifies, and the employment and earnings outcomes of participants who receive the credential.
- Facilitates skills-based hiring by authorizing state and local boards to provide on their own or in partnership with industry associations technical assistance to employers on implementing skills-based hiring practices, while embedding competency-based assessments in the participant in-take process.
- Enhances Workforce Data Quality Initiative grants to improve state workforce data capabilities by fostering cross-state collaboration, improving the timeliness and relevance of labor market data, supporting the adoption of credential navigation tools, and advancing the use of evidence and data to drive decision-making.
- Raises the cap on pay-for-performance contracting and simplifies the process for local workforce boards to contract with programs committed to delivering good outcomes, while removing the prohibition on states using their governor’s reserve on incentives for local boards using pay-for-performance contracting.