

April 9, 2021

The Honorable Patty Murray
Chairwoman, Senate Health, Education
Labor, & Pensions Committee
154 Russell Senate Office Building
Washington, DC 20510

The Honorable Richard Burr
Ranking Member, Senate Health, Education
Labor, & Pensions Committee
217 Russell Senate Office Building
Washington, DC 20510

Dear Chairwoman Murray and Ranking Member Burr,

The United States Workforce Associations (USWA) is a partnership of twenty nonprofit, statewide workforce development associations across the country. The memberships of these organizations are primarily local workforce development board Directors but can include other workforce/job training/education stakeholders. We exist to consider federal, state, and local policy and funding proposals connected to the federal workforce system and provide insights on the impact of those policies to local workforce development boards, America's Job Centers', and their customers. Collectively our members serve millions of American and businesses each year. We appreciate the opportunity to respond to the Senate HELP Committee on policy ideas for workforce development.

The unprecedented economic disruption due to the COVID-19 pandemic has significantly altered the American public, industries, education, healthcare, workers, and small businesses, among many other impacts. The federal workforce system, most recently authorized under the Workforce Innovation and Opportunity Act (WIOA) in 2014, was affected as in-person service centers closed and workforce boards and career centers shifted to a virtual model overnight. In our communities, we saw the historic layoffs as businesses and individuals grappled with the crisis. Many of the workforce board and career center staff worked on the front lines to connect people with critical services like unemployment insurance, food assistance, childcare, and rent/housing assistance. The majority of the same supports have been consistent with barriers to employment, especially for low wage and low skilled workers, that we saw exacerbated by the pandemic.

As we strive for an equitable recovery from COVID-19, we cannot forget that this pandemic has impacted disadvantaged populations, low wage, low skill workers, minorities, and women, the most.¹ Too often, these same groups are the first to be affected and the last to recover. The US has systems to assist but the workforce system is uniquely positioned to make contact with and provide critical services to these populations. That is our mission under WIOA. We need to use the federal policies to build on-ramps into employment and training programs. During the Great Recession in 2009-10, we witnessed the power of this system, with an increased federal investment through the American Recovery and Reinvestment Act (ARRA), as the economy recovered.

Through our respective associations, we have seen great resiliency within the federal workforce system as we have contributed to the economic recovery and helped businesses and individuals re-connect. We also recognize the many challenges that we still face and the federal policy guiding the workforce system must also be relevant to address economic prosperity and resolve the economic crisis. The

¹ <https://crsreports.congress.gov/product/pdf/R/R46554>

recommendations below were developed with that approach as we confront the difficult realities facing businesses and job seekers.

The policy ideas and changes identified below are broken down by broader themes with detailed examples throughout.

Local Control/Flexibility

WIOA creates a federal workforce system based on federal, state, and local partnerships that identify and respond to market demand. Local communities will experience periods of economic boom and distress in different ways. We feel strongly that those situations are best addressed at the local level. Federal legislation should ensure that the local stakeholders have control, flexibility, and accountability with respect to policy and funding. There are specific policy areas in WIOA that while well-intentioned, have been implemented with greater influence from the federal and state stakeholders. These policies have led to increased administrative burden on local stakeholders and distracted from the overall mission of workforce boards related to employment and training services best suited for businesses and job seekers.

1. **Mandatory Partners and Infrastructure Funding Agreements (IFA) (Sec. 121 (h))** – WIOA mandates several federal and state program partners participate and contribute to the one stop delivery system (Section 121(h)). Subsequent guidance from the Department of Labor, Training and Employment Guidance Letter (TEGL) WIOA 17-16 outlines an elaborate, bureaucratic process whereby the local workforce board negotiates these rates with each partner program as infrastructure funding agreements (IFA), often dictated by the State.
 - a. Instead of encouraging partners to work more collaboratively, these requirements have created tension at a local level and have not resulted in the intended fiscal contributions to the workforce system. The local workforce board is tasked with educating and leading conversations with required federally funded partners who are not compelled to fund the system outside of WIOA.
 - b. Required partners are “surprised” by the requirements and have questions regarding the authority of WIOA to require them to contribute. Their respective program authorizing legislation does not contain such language.
 - c. The development, negotiating, implementing, tracking, and reconciling the IFA is costing, and will continue to cost, significant administrative staff time. In large areas this could result in the need for an additional full-time employee (FTE) to meet and maintain the requirements. Federal regulations require ‘no less than quarterly reconciliation of costs,’ which adds to the ongoing burden and taking more resources from front line programming.
 - d. **Recommendation** - Rather than the WIOA requirement of ‘negotiation,’ federal policy could mandate a percentage of federal program partner funds to support this process. In preparing a legislative fix, we suggest that the Department of Labor explore the benefits of more integrated models of service delivery.
 - e. **Recommendation** - Remove the mandate for a fully comprehensive brick and mortar one-stop career center. Replace it by requiring workforce boards to invest WIOA Title 1 funds targeting access gaps in their local communities. This will allow local workforce

boards to be more intentional about breaking cycles of poverty and inequity in labor markets, and not be beholden to brick-and-mortar sites.

- 2. One Stop Operator (Section 121 (d))** – The one stop operator provision was a significant change from WIA to WIOA as it includes a requirement that the operator be selected only through a ‘competitive process.’ In many cases, cities and counties serve as the one stop operator to streamline operations with the approval of the Governor. The competitive process prescribed by WIOA led many rural areas to prepare and execute an RFP, taking administrative time, knowing that there would be no outside entity to bid on the RFP.

 - a. **Recommendation** – Allow local workforce boards, in consultation with the Chief Local Elected Official, to serve as the one stop operator so long as they can justify the decision with approval from the Governor. Ensure that the process takes into account local board performance (both programmatically and fiscally.)

- 3. Incumbent Worker Training (Section 134 (d)(4))** – WIOA limits the availability of employment and training activities for incumbent worker training to 20%. This is a critical limitation in local workforce boards serving businesses and those individuals already working and underemployed. In many cases, an incumbent worker training is less expensive than training an unemployed worker as they already have a job and will likely need fewer support services. It also allows local workforce boards to create the ‘talent pipeline’ by moving entry-level positions holders into middle skill jobs, opening up an entry-level opportunity for someone else. Local boards, AJCs and their partners use incumbent worker training strategies as key pieces to sector and pathway initiatives. Importantly, incumbent worker training is a valuable tool no matter the current state of the economy.

 - a. **Recommendation** – Allow local workforce development boards to determine the appropriate local funding allocation for incumbent workers. Ultimately, that flexibility will allow local boards and career centers to serve more customers, both job seekers and businesses. At a minimum, the 20% cap should be increased to allow for greater ‘Earn & Learn’ career pathway progression and movement out of poverty.

- 4. Out-of-School Youth (Sec. 129)** – Many states have received a waiver for the 75% requirement for Youth Activities funds to serve ‘out-of-school’ youth. This is empirical evidence that this requirement, while intended to be sure WIOA is serving the most at-risk populations, does not work when practically implemented. Local Boards across the Country report local school districts continuing to work with youth programs to ensure in-school youth are served and avoid dropping out.

 - a. **Recommendation** – Allow local workforce development boards to determine the right mix of youth funds in their respective area. Imposing a federal cap has not worked. At a minimum, the cap should be lowered. Again, local boards can work with their community stakeholders to determine where there are gaps and use their funding intentionally to leverage and fill voids.

- 5. Eligible Providers of Training Services (Sec. 122)** – The eligible training provider list (ETPL) requirements need to be modified to account for greater inclusion of providers. Other data

measures need to be more focused on WIOA participants. Data and reporting requirements of the ETPL are prohibitive and have the unintended consequence of limiting customer choice.

- a. **Recommendation** – The current ETPL model is not working as intended for a modern workforce and not currently prepared for all training providers to collect the necessary data efficiently. As local workforce boards, we need to leverage available data along the lines of the WDQI but we also know that some training providers who are not part of the public secondary or post-secondary system need more time to adapt and more support to meet the requirement. Community College programs that have already been through an accreditation process should also automatically be put on ETPLs.
6. **Apprenticeships** – Apprenticeship is a useful tool for local workforce boards but it also has limitations within the current system. More explicit language can be built into the law to clarify what is allowable in terms of apprenticeship, pre-apprenticeship and the development of those initiatives. Empower Local Workforce Development Boards to spearhead the creation of industry sector-driven “Next Generation” Apprenticeship programs similar to the Swiss model implemented in Colorado.²
 7. **Two-Generation Approaches** - Local workforce boards need more flexibility with serving families. For example, this is experienced in Dislocated Worker/Trade (where the family member boosts up their own employment/training efforts triggered by their spouse/partner/parent/child dislocation), and we also see it in with TANF and WIOA clients. Though eligibility determinations remain with individuals, we should consider ways that eligibility can rest with families.

Reimagine the Career Center Network

Building on lessons learned from the COVID-19 pandemic, the brick-and-mortar infrastructure of the federal workforce system should be changed, and the entire customer experience reimaged to become more ‘human-centered,’ even as more services may be delivered virtually. Workforce boards have shown the ability to connect with businesses and job seekers virtually. Creating a more versatile federal system would benefit all levels of government and the business and individual customers. We mentioned some of the challenges with negotiations for program partners and reducing the physical footprint could alleviate some of that burden as well. The need for in-person services will continue but the system needs to aggressively invest in remote service platforms so we can serve people and businesses without requirements for in-person signatures, and other functions which can be done virtually.

1. **Professional Development** – In order for the federal workforce system to continue to perform and respond to the growing workforce needs across the country, workforce system staff need additional professional development and assistance. The under-investment in the workforce system has been well-documented but the staff carrying out these daily tasks need greater

² See: <https://www.careerwisecolorado.org/en/careerwise-model/> & <https://www.colorado.gov/pacific/sites/default/files/Swiss%20Apprenticeship%20Model%20and%20BASIC%2052016%20Abbrv.pdf>

support. We have seen a priority from the Biden Administration and Congress to support the ‘care economy,’ which is sorely needed, but these workers also need further training to maximize their capacity. Organized career pathway strategies and formal apprenticeship programs can be developed that work on formalizing and standardizing the qualifications and training as professionals get hired into workforce development industry. A systemic approach to this type of technical assistance will strengthen our system from the ground up, cultivating new leaders in our industry at every level.

- a. **Trauma Informed Approaches** – Career center staff are working with customers with mental health and substance use disorders which adds to their workforce challenges. A trauma informed approach may lead to better outcomes for job seekers, employers, and staff.³ Congress and DOL recognized these challenges when the National Health Emergency Dislocated Worker Demonstration Grant and Support to Communities Opioid Recovery Dislocated Worker Grant Programs were created in 2018.
2. **Modern Remote Working Tools** – Something that became abundantly clear during the COVID-19 shutdown and subsequent impact and growth of remote work involves the lack of reliable connections for workforce board and career center staff as well as WIOA program participants. A laptop and internet connection have become the modern ‘work boots.’ Employers continue to hire throughout the pandemic but are only conducting interviews via Zoom or other virtual platforms - job seekers need laptops and a connection to access that. In order to shift a reliable remote service model for program participants, career center staff will need the same reliability, as well as training in some cases to effectively use these technologies.
 - a. With an emphasis on digital skills and tools from the COVID-19 pandemic, workforce boards were in the position of working with businesses and job seekers to adapt and some provided laptops to WIOA program participants. There is language in existing OMB Circulars defining these laptops as ‘assets’ which must be returned to the career center. This definition needs to be revised so participants are able to keep these essential tools.
 3. **Human-Centered Design** – Even as more and more workforce services are provided virtually for those who have broadband access, there is an ever-present need to reimagine the services provided through the American Job Centers through a customer-centric versus program / bureaucracy-centric lens. Human-centered design is a framework and toolset first introduced to public workforce system leaders by the US Department of Labor in consultation with IDEO⁴, the company that pioneered this innovative design thinking methodology. Using these tools to reimagine the customer experience in the post-COVID world needs to be an essential part of WIOA reauthorization.
 4. **Diversity, Equity & Inclusion** – COVID-19 has disproportionately impacted women, BIPOC and other historically disadvantaged communities. All current workforce legislation and future WIOA reauthorization needs to have a particular focus on addressing these disproportionate impacts for these populations. All of the recommendations in this letter, taken together, can have a profound impact on serving these historically underserved populations.

³ <https://nationalfund.org/learning-evaluation/publications/a-trauma-informed-approach-to-workforce/>

⁴ See: <https://www.ideo.org/tools> & <https://www.ideo.com/post/ideo-on-60-minutes-and-cbs-this-morning>

- 5. Personal Effectiveness Skills** - Also historically known as ‘soft skills’, personal effectiveness skills are at the foundational level of the US Department of Labor’s Competency Model or skills pyramid.⁵ These soft skills have been asked for by employers for decades, but with little if any movement forward in our education or workforce systems ability to better inculcate this skill development in students or job seekers. New strategies and innovations are needed, especially in the age of COVID, to create work-based learning experiences in which these personal effectiveness skills can be developed starting at the earliest possible ages. In addition, a more humanistic and holistic approach to this work should be adopted to include a focus on: social and emotional well-being, mindfulness, emotional intelligence, grit and self-regulation. Innovative approaches to the growth and development of this deeper level of the skills should be specifically called out in WIOA reauthorization and added to the USDOL Competency Model.

Program Integration/Alignment

Recently, we have seen both legislative (Perkins-CTE) and administrative (SNAP E&T, TAA, TANF) efforts to better align federal workforce development programs. We totally support this concept of program alignment, starting with the federal authorizing legislation, because many workforce programs are even further diversified as we go down to the state and local levels. A prime example of this is the recent \$7.6 billion investment for public health workforce contained in the American Rescue Plan. Many local areas will report a shortage of healthcare workers as an enormous need and that was prior to the COVID-19 impact. There are defined and known career pathways in the healthcare sector that many local workforce boards are involved in. However, it has been difficult to get in-person clinical training reliably scheduled during the pandemic. The funding from Congress for the public health workforce is necessary to advance these efforts but we are concerned it may not be integrated into the ongoing local workforce health efforts, especially as the funds from the American Rescue Plan are directed to public health agencies. For further investments in healthcare done outside of the WIOA process, it would be helpful to include language directing the public health agencies to work with local workforce development boards stakeholders.

1. **Integration Across Other Federal Programs** – In many cases, WIOA participants are receiving other forms of federal assistance through TANF, SNAP, HUD, or others. To the extent possible in WIOA, we recommend increasing as much coordination as possible between these related programs. The administrative burden of cross-checking multiple program eligibility and performance requirements takes effort and funding away from the desired outcomes of employment and training. For instance, the work participation rate requirement in TANF does not align with the outcome measures of WIOA. Another example is taking lessons learned from the Health Professions Opportunity Grants and applying these to create a more holistic and integrated service delivery model that blends Title I, II, III, IV, V, TANF, SNAP-STEP, RESEA, and other training funds to create better pathways out of poverty.
 - a. **Recommendation** – Understanding that other authorizing legislation may need to be changed as well, make the WIOA statute as receptive as possible to increasing coordination.

⁵ See: <https://www.careeronestop.org/CompetencyModel/Competency-Models/advanced-manufacturing.aspx>

workforce, as well as education, healthcare, social service, corrections and other public investment programs is a 'game-changing' moment.

- c. **Recommendation on Performance Management** - The current model of negotiated performance levels between USDOL and the states, and the states to LWDBs is archaic, ineffective and should be eliminated. Instead, the federal framework for performance should be simplified to a focus on 'bottom line' performance outcomes such as job placement, job retention, skill/career/wage progression, and movement out of poverty and all forms of public assistance to ever-increasing self-sufficiency and career success. As longitudinal (not point-in-time) baselines are established, and more service integration and workforce systems alignment can take place, LWDB's can then set the 'stretch' objectives and key results they want to achieve for their regions. Federal and state partners can then perform their appropriate support in providing technical assistance, best practice sharing learning experiences (ideally site-to-site/region-to-region), and oversight.

Funding

The authorized funding levels contained in WIOA have never been fully funded by Congress, further limiting the potential of the WIOA policies. Given the scale of the recovery ahead for the country, we request a 5% funding increase per year, per account, over the reauthorization period. The authorized level increases in WIOA were between 2-2.5% so this would show a commitment from Congress to address these workforce development funding issues as we venture into a critical economic recovery.

1. **Governor's Reserve (Sec. 128)** – Currently, Governor's may reserve up to 15% of the state allocation for the Adult and Youth accounts and up to 25% from the Dislocated Worker account for rapid response activities.
 - a. **Recommendation** – Congress should include direction to Governors that use of Reserve funds shall be coordinated with local workforce development boards and allocated through the local workforce boards to achieve Statewide workforce initiatives. This will allow the Governor's flexibility to pursue needed innovations while ensuring a systemic approach avoiding duplicative silos.
2. **Funding tied to the unemployment rate**
 - a. The system is currently designed to reduce funding levels when unemployment is low and increase when it rises. However, this results in gutting a system that is tasked with helping the people with the greatest barriers to employment in a tight labor market and making them ill prepared to respond effectively and quickly when the economy inevitably encounters a downturn. The system needs adequate, stable, reliable funding across economic periods to maintain the level of service delivery required in any climate.

Conclusion

We look forward to working with you and your staff as you develop federal workforce policies which support our economy and its workers, no matter the economic conditions of the moment.