

September 20, 2023

The Honorable Virginia Foxx
Chairwoman
U.S. House Education and Workforce Committee
2176 Rayburn House Office Building
Washington D.C. 20515

The Honorable Bobby Scott
Ranking Member
U.S. House Education and Workforce Committee
2101 Rayburn House Office Building
Washington D.C. 20515

Dear Chairwoman Foxx and Ranking Member Scott:

We appreciate the opportunity to submit a statement for the record regarding the Committee's hearing on September 20, 2023, titled "*Strengthening WIOA: Improving Outcomes for Jobseekers, Employers, and Taxpayers.*" Given that the Workforce Innovation and Opportunity Act (WIOA) is the nation's primary workforce development law and its reauthorization ended in 2020, it is imperative that the law not only be reauthorized but reformed to reflect the continuing labor shortage felt by many industries, widening of the "skills gap," and technological advances in the workplace.

As the workplace rapidly moves toward the future, below are suggested reforms that Congress should consider in reauthorization of WIOA to modernize the workforce development system:

I. Modernize federal labor market reporting data to leverage AI and advanced technologies to support a skills-based approach to employment.

Rapid technological advancements, combined with the seismic shift in how employers operate their workplaces in the post-pandemic world, is creating a rapidly changing work environment and ever-evolving workplace policies. The pandemic exacerbated job displacement, which is creating the demand for new ways of working, the need for new skillsets in the workplace, and new approaches to improving workplace policies. To fill vacant positions, many employers are reviewing degree requirements in job postings and utilizing a skills-based approach in hiring, in which a candidate's qualifications are based on the core competencies for the role rather than a specific degree or credential.

A critical first step toward leveraging AI and advanced technologies to support a skills-based approach to employment is the modernization of federal labor market reporting data that is both accurate and accessible in real-time to job seekers and employers. As such, the need for enhanced, granular data is critical to understanding the complex dynamics of the U.S. labor market to identify economy-wide trends in emerging roles and industries, along with the skills needed for in-demand jobs. Additionally, this information is essential for lawmakers, employers, educators, and others to make informed decisions, guide resource allocation, and achieve better employment outcomes.

Littler WPI has worked over the last two years to develop a comprehensive federal legislative proposal that would achieve this goal by a) establishing a competitive grant program for states to innovate and improve their own labor market information strategies, including mapping of emerging jobs and labor trends, that would be available to employers, workforce agencies, and all other stakeholders; b) amend WIOA, as more detailed below, to establish a new "rapid response initiative" to cultivate alignment among federal agencies regarding workforce data tied to occupations most in demand pursuant to recent massive federal investments into infrastructure (broadband, transportation, etc.) and semiconductors; c) amend WIOA to establish a Congressional Commission on modernizing the nation's labor market information system to ensure congressional leaders play a role to further improve workforce data; and d) amend the Social Security Act to require states to collect enhanced wage information tied to Federal Unemployment Compensation requirements.

II. Enhance support and funding structures for state and local-led reskilling and upskilling efforts.

Rather than expanding federal control over the workforce system, the role of states and local communities must be elevated. A significant share of WIOA funding flowing to the states should be dedicated to upskilling the workforce, including through individual training accounts and employer-designed customized training programs. States and localities must engage and survey employers across all industries to ascertain the skills needed for the most in-demand jobs, as well as identify the training providers to teach these skills. To leverage WIOA dollars further, localities must also have flexibility to collaborate regionally to pool funding with other jurisdictions in the creation and delivery of skills development. Additionally, states must be empowered with more flexibility to address the current labor shortage and economic constraints that are unique to their situation by increasing the discretionary dollars that governors can reserve for innovative initiatives.

III. Shift WIOA funding away from wasteful federal bureaucracy.

A common complaint by states and those who administer WIOA programs are the bureaucratic hurdles. Given the current labor shortage and widening of the “skills gap,” barriers to training and employment should be decreased. Additional layers of bureaucracy will not close the skills gap, nor will they entice employers to engage with the public workforce system. Funding should be focused on reskilling and upskilling more workers to meet employer demands.

WIOA reauthorization should focus on empowering and equipping Local Workforce Development Areas (LWDAs) to meet the needs of their communities with which they are best acquainted. For example, the required 75-25% expenditure split for out-of-school and in-school youth, respectively, is a prime example of “one size doesn’t fit all.” While the out-of-school youth population may be large in some areas, this population may not be sizeable in others, such as in rural communities. This disparity is a prime example of local areas knowing best about the needs of the youth in their communities. In some communities the focus is to catch the at-risk young people before they drop out of school. Congress should reevaluate the division of youth funds and consider leaving the appropriate distribution to the discretion of the local boards.

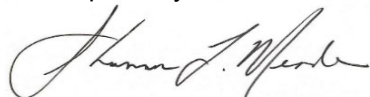
Additionally, there should be a dedicated funding stream for local workforce boards to provide business services as required under current law. It is often the case that when an LWDA has an effective Business Services team, which offers invaluable skills and expertise to its local employers, those employers want (and expect) even more services. Under current law, however, boards must use funding that is desperately needed to recruit, train, and continue to upskill the future workforce to satisfy the business services requirement. Congress should consider amending this portion to give the business services funding stream enhanced flexibility so that local areas are not forced to make the unconscionable decision to cut services to individuals in order to serve local employers.

Lastly, there must be a requirement that states provide an equal emphasis on services and compliance. Tragically, the federal bureaucracy has encouraged many states to focus almost entirely on compliance to the detriment of quality of service. It is reported that all too often auditors are more interested in compliance and checking all the requisite boxes than they are on capturing the full narrative of worker retraining efforts including successes, obstacles, or availability of support services, among other factors.

WIOA reauthorization must be enabling and empowering rather than becoming even more of a bureaucratic nightmare for those who administer these programs and for those individuals who are seeking to better themselves through employment opportunities.

We appreciate your leadership and the Committee's important work to support the U.S. workforce by making necessary and impactful reforms through WIOA reauthorization. Thank you for consideration of our comments.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Shannon L. Meade". The signature is fluid and cursive, with a large initial "S" and "M".

Shannon L. Meade
Executive Director