



Statement before the House Committee on Education and the
Workforce

Subcommittee on Higher Education and Workforce
Development

On Strengthening WIOA: Improving Outcomes for Jobseekers,
Employers, and Taxpayers

Spurring Innovation in Workforce Development: Program Governance and Service Delivery

Mason M. Bishop

Nonresident Fellow, American Enterprise Institute

September 20, 2023

Chairman Owens, Ranking Member Wilson, and Members of the Subcommittee, thank you for the opportunity to present testimony on improvements Congress can make to the Workforce Innovation and Opportunity Act (WIOA). Early in my career, I supported Governor Mike Leavitt in negotiating and implementing the legislation that created the Utah Department of Workforce Services, which still stands today as the most integrated public workforce system in the country. From 2001-2007, I served as Principal Deputy Assistant Secretary for Employment and Training during the George W. Bush administration where one of my responsibilities was developing policies and improvements to the Workforce Investment Act (WIA), the predecessor to WIOA. I then had the opportunity to go back to Utah and serve as Vice President for Institutional Advancement at Salt Lake Community College, and since 2012, I have been a full time consultant working with community colleges, workforce systems, and others throughout the United States.

My background and experience grounds my views on how WIOA can and should be improved to better serve employers, workers, and job seekers. I witness continually, using a ground-level view, the challenges faced by communities and families seeking to improve economic conditions, the bureaucratic hurdles faced by workforce development and education staff trying to address the reskilling or upskilling of workers, and the unnecessary complexities of the myriad of federal workforce and education programs.

My testimony today provides an outline of specific principles and opportunities to improve WIOA to meet our shared goals of upward mobility, labor force attachment and high wages, and business growth through a skilled and productive workforce. With an understanding and commitment to a shared vision for WIOA improvements, I believe Congress can make significant strides that will better opportunities for our communities and its residents.

Current Challenges of the Workforce Innovation and Opportunity Act

In my AEI workforce landscape study report issued in 2020,¹ I documented the five-decade history of federal involvement in funding employment and education programs and several of the inherent conflicts and challenges that have resulted from these efforts. In short, as Congress has sought to address particular workforce and educational challenges over the decades, it has layered program upon program across multiple federal agencies, often with very strict rules as to both WHO gets served, and, more importantly, HOW they get served. This approach has led us to where we are today—a continual acknowledgement and frustration that we are still not as efficient and effective as we must be to bolster a skilled workforce in the face of both domestic and global economic challenges. WIOA reauthorization is an important step toward improving our workforce and education programming if we address the following three issues:

(1) While workforce service delivery is regional, federal efforts to define roles for state and local jurisdictions and service providers has led to unmanageable complexity. I often hear people say that “Workforce development is local.” but that is true in a very limited sense. The WIOA legislation is rooted back to the 1970’s Comprehensive Employment and Training Act (CETA) and its successor statutes, the 1982 Job Training Partnership Act (JTPA) and the 1998 Workforce Investment Act (WIA). Starting with CETA and continuing until WIOA, the federal government created a funding link to local jurisdictions to provide employment and education services.

However, that link is only present in the WIOA title I programs where a majority of the Adult, Dislocated Worker, and Youth funding must be provided by states to local workforce development areas. All other programs identified in WIOA as “partners” are delivered based

¹ Mason M. Bishop, *Landscape Study of Federal Employment and Training Programs*, American Enterprise Institute, January 28, 2020, <https://www.aei.org/research-products/report/landscape-study-of-federal-employment-and-training-programs/>

upon what governors and states decide, including WIOA title II adult education, WIOA title III Wagner-Peyser employment service, and WIOA title IV vocational rehabilitation services.

Perhaps the most egregious example of federal overreach in defining roles and responsibilities is the Wagner-Peyser employment service program, where those employment services must be provided by “state merit staff employees” while the WIOA title I career services are provided by local workforce development employees. The exact same services are mandated by law and regulation to be provided by two different types of government employees.

(2) WIOA creates a governance structure that is too prescriptive and defines a single model and service delivery architecture for the entire country. WIOA title I authorizes the Adult, Dislocated Worker, and Youth programs, but it also defines how these, and other employment and education services, are to be coordinated and delivered through the “one-stop system.” While the idea of a one-stop service delivery system is important in theory and practice, narrowly defining how this system should work across diverse communities and regional economies incentivizes ‘work arounds’ and stakeholders meeting basic and minimal requirements without shared ownership over such one-stop system.

A simple example is the WIOA requirement that each local workforce development area maintain a “comprehensive one-stop center”—a physical building where all the partners provide access to services. In a post-COVID environment where different types of access points and virtual services may reach more people, mandating that each local area spend funds on physical infrastructure hampers cost-effective service delivery, particularly when many of the partner programs still maintain their own duplicative physical infrastructure.

The continued prescriptive service delivery architecture causes too much time and effort being spent on compliance with these requirements rather than needed employment and education services for workers and job seekers.

(3) WIOA lacks tools and incentives for innovation and performance improvements.

With the prescriptive nature of WIOA impacting program governance and service delivery, states and local service providers alternatively lack tools and opportunities to innovate and build improved performance through the strengths of federalism. Since COVID, I have been contacted by numerous states wanting to understand the “Utah Model” and how they can implement it. One state’s workforce leadership told me their governor challenged them to be ‘best in class,’ so they conducted research into what is working. What they found was Utah performed the best across several factors developed by that state as part of their research.

When people ask me about implementing the Utah Model, the first thing I tell them is the **current WIOA law prohibits states from implementing the Utah Model**. This is due to two factors: (1) starting with WIA, prescriptive requirements have been legislated that do not comport to the key features of what we implemented in Utah, and (2) WIOA lacks provisions that allow states to pilot alternative approaches or demonstrate improved performance through innovative ideas and service delivery designs. With technology and the very nature of jobs rapidly changing, this lack of access to innovation is untenable. It actually incentivizes governors and stakeholders to develop their own alternatives to the one-stop workforce system using economic development and postsecondary education levers, among other options.

Program Improvements and Solutions

The Utah Model provides a blueprint for ways that Congress should seek to address the challenges raised above. This blueprint is detailed in an AEI report recently issued² and focuses on the following:

1. **Program Governance**. I define program governance as the way programs and services

² Mason M. Bishop, *The Utah Model: Workforce Programs and Services Integration Took Kit*, American Enterprise Institute, July 31, 2023, <https://www.aei.org/research-products/report/the-utah-model-workforce-programs-and-services-integration-tool-kit/>

are organized to effectuate high-performance service delivery. Prior to WIA, when states had more flexibility to design their program governance structures, Utah consolidated agencies and programs into a single, cabinet level Department of Workforce Services. Over time, Utah has continued to consolidate and organize programs in support of enhanced employer and worker employment connections and administers programs such as Temporary Assistance to Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), and subsidized childcare assistance.

Further, Utah is known as a “single state area,” meaning they administer their WIOA title I programs at the state level through DWS while maintaining a regional service delivery structure. Thus, services are still delivered “locally” using state DWS staff, allowing resources to be targeted to areas of the state and populations with emerging or pronounced needs, such as a mass layoff or upskilling initiative as part of a sector partnership. This governance model translates to Utah’s continued strong performance and efficient use of resources on behalf of its communities and residents.

2. Service Delivery. The vision of one-stop service delivery through WIOA has not been met. Local workforce development boards are tasked with the key responsibility for brokering the Memorandum of Understanding (MOU) and funding agreements to operationalize one-stop service delivery, but the local boards have neither the authority or direct responsibility for administering and delivering employment and education programs except for WIOA title I programs. As a result, while a one-stop service delivery system exists in theory and name, in almost any community, businesses, workers, and job seekers must use multiple stops to get the services needed, sometimes having to engage with three or more agencies or offices within the same county or town.

Utah has a truly integrated service delivery system where customers can access services

through one location and work with a single or team of employment specialist(s) to receive the services needed. DWS allows for local variation in service delivery while assuring a consistent service expectation occurs throughout the state.

Further, DWS has one case management technology system for all the programs administered, and all available resources can be brought to bear to help someone get reemployed, upskilled, or obtain supportive services to promote labor force attachment. Program silos have been truly eliminated in Utah and a single, statewide workforce system exists with multiple entry points and service options available for residents.

3. **Financial Integration**. The current structure of WIOA promotes bureaucratic processes for braiding and sharing different resources. Under WIOA, the local boards are responsible for working with partners to identify the proportionate use of the workforce system and cost share for each individual program. Annual negotiations around this cost sharing can take months and distracts from the important work of serving customers. If a partner program is not fully invested in participating, typically that program is minimally invested in the local one-stop system.

Utah has a single, statewide cost allocation methodology approved by multiple federal agencies and the Office of Management and Budget (OMB). This statewide methodology relieves the burden of cost sharing from DWS workers and rids the state of annual, multiple localized cost sharing negotiations. Additionally, Utah only deals with one federal agency—the Department of Health and Human Services (HHS)—when amendments to their cost allocation plan are needed. HHS is responsible for working with other impacted federal agencies, alleviating that burden from Utah officials.

Taken together, this financial integration efficiently targets resources to where they are needed most and more holistically supports workers and job seekers with the full array of services available anywhere in the state of Utah.

Recommendations

With multiple economic sectors and industries lacking skilled workers, we have an economic and national security imperative to restructure and improve our workforce and education programs and systems. Congress can unleash innovation and improved performance by fundamentally modernizing the approach to WIOA by recognizing the need for flexibility and adaptability in how states structure and deliver their workforce development and education services. A modern, technology-based economy requires such flexibility and adaptability, which will ultimately benefit employers, workers, and job seekers alike. To this end, below is a summary of recommendations for comprehensively improving WIOA.

- Create an ***Innovation Demonstration Authority*** that allows states to modernize and structure their workforce systems aligned to their populations and economies
 - ✓ Promotes “on the ground” innovation
 - ✓ Addresses the overly prescriptive approach of the current WIOA
 - ✓ Recognizes the unique labor market conditions of states and regional economies
 - ✓ Modeled after successful bipartisan approaches to improving social assistance programs
- Allow for ***Federal Funding Flexibility*** to promote efficient use of resources and integration of related services across programs
 - ✓ Better integrate and authorize funding flexibility across WIOA core programs, particularly titles I and III
 - ✓ Allow governors to “hold back” a portion of local WIOA title I funding for statewide work-based learning and customized education programs in partnership with businesses
 - ✓ Provide a streamlined approval process for innovative cost allocation models

- Restructure WIOA to promote *Modernized Program Governance and Performance-based Service Delivery* by eliminating or modifying outdated and inflexible provisions
 - ✓ Eliminate the prohibition on state single area designation for service delivery
 - ✓ Provide governors with flexibility to realign local workforce development areas by considering administrative efficiencies and demonstrated alignment with economic development and education service regions as criteria
 - ✓ Promote multiple one-stop Access Points by eliminating the requirement that each local workforce development area house a Comprehensive One-Stop Center
 - ✓ Align the workforce development system with community colleges by providing flexible options for local workforce boards to contract for education services and host one-stop centers on community college campuses
 - ✓ Give State Workforce Development Boards more authority and responsibility for certifying one-stop centers and developing arrangements for affiliate centers among state partner programs
 - ✓ Bolster the current Planning Region language to provide clarity and flexibility for state and local partners
 - ✓ Clarify that the state infrastructure funding model can be deployed prior to the local MOU process to allow governors to proactively use this tool
 - ✓ State that community college credit programs and noncredit programs that integrate industry-recognized credentials are de facto Eligible Programs