

## Written Testimony of Nicholas J. Moore, Office of Governor Kay Ivey

As Prepared for Delivery before the U.S. House of Representatives Committee on Education and Workforce Subcommittee on Higher Education and Workforce Development

March 5, 2025

Chairman Owens, Ranking Member Adams, and distinguished members of the Subcommittee, thank you for the opportunity to testify before you today. I am honored to discuss a topic that is of paramount importance to the economic prosperity of the State of Alabama and the United States of America.

I wish to share how a reauthorization of the Workforce Innovation and Opportunity Act, known as WIOA, can incentivize states to take the lead in increasing the labor force participation rate and developing career pathways leading to economic self-sufficiency. States like Alabama were eager to see A Stronger Workforce for America Act, or H.R. 6655, make it into law last year. This Subcommittee championed this legislation during the last Congress, and the 119<sup>th</sup> Congress provides another opportunity to move this much-needed modernization of our nation's public workforce system across the finish line.

H.R. 6655 would provide incentives for states to modernize the public workforce delivery system; would help to hold the U.S. Departments of Labor and Education, states, and local areas accountable for increasing levels of performance; and would align the public workforce system more clearly to the needs of individuals and employers.

Alabama's December 2024 labor force participation rate of 57.7 percent is nearly 5 percentage points below the national seasonally adjusted average of 62.5 percent in December 2024.<sup>1</sup> The chasm between the state and national labor force participation rate persists even when measuring the prime-age labor force participation rate of 83.4 percent nationally and 78.9 percent in Alabama among 25- to 54-year-olds.<sup>2</sup>

Alabama needs to move more than 41,000 individuals from the sidelines to the workforce to raise Alabama's labor force participation rate by one percentage point annually. An additional 2.7 million Americans would need to join the civilian labor force to move the national labor force participation rate up by one percentage point.<sup>3</sup>

The number of people exiting training through the public workforce system, and the number of people who exit training, enter employment, and persist in an occupation for which they were trained does not come close to meeting the needs of the economy. For Program Year 2022, Alabama received a combined total of \$36.8 million for the three WIOA Title 1-b programs, known as the adult, youth, and dislocated worker programs. For Program Year 2022, 43.7 percent of Alabama's WIOA Title 1-b allocation was spent on administration, 3,268 Alabamians exited training, and only 2,726 of those who exited training were employed in an occupation for which they were

---

<sup>1</sup> <https://fred.stlouisfed.org/series/LBSSA01>

<sup>2</sup> <https://fred.stlouisfed.org/series/LNS11300060>

<sup>3</sup> Alabama Office of Education and Workforce Statistics, Estimate, 24 February 2025.

trained a year after exiting training—which is a training-related employment rate of 34.2 percent.<sup>4</sup> In December 2024, Alabama had 57 available workers for every 100 job openings, compared to 84 available workers for every 100 job openings nationally in December 2024.<sup>5</sup>

The disparities between the results of the public workforce systems and the realities of labor market results are endemic nationally and are not unique to Alabama. For Program Year 2022, only 212,976 Americans were provided training services through the three WIOA Title 1-b programs, 127,300 exited training, and only 35.2 percent were employed in a job for which they were trained one year after exiting training.

Alabama is combining postsecondary credit attainment, career navigation, work-based learning, and industry-recognized credentials to help Alabamians overcome benefits cliffs and to persist in training and employment. Since 2019, Alabama has convened leaders from across each industry to identify and define the in-demand jobs and career pathways in each region of the state. Alabama is also developing a skills-based, learner-centered, and demand-driven education and workforce ecosystem to make all learning count by validating both degree and non-degree learning.

On December 6, 2023, the Alabama Talent Triad launched as the nation’s first full-scale learning ecosystem that centers skills as the unit of transaction in the labor market. In 2024, the State Workforce Development Board adopted a policy requiring the Talent Triad to be used for a unified WIOA intake and assessment process.

The Federal Reserve Bank of Atlanta partnered with Alabama to develop a benefits cliff and self-sufficiency tool called the Dashboard for Alabama to Visualize Income Development, or DAVID. This dashboard is designed to help individuals understand when they will reach self-sufficiency. In 2023, the State Workforce Development Board adopted a policy requiring DAVID to be used for career counseling during the WIOA Title I and III intake process.

In 2024, Governor Ivey signed the “Working for Alabama” legislative package into law. The Alabama Workforce Transformation Act (Alabama Act 2024-115) merged Alabama’s two existing state workforce boards into one.<sup>6</sup> Creating the Alabama Workforce Board is enabling Alabama to more efficiently use scarce state and federal workforce training funds and to consolidate the strategic planning processes of statewide workforce efforts. This legislation gives the Alabama Workforce Board a clear mandate to improve performance through increased performance targets; increased levels of funds dedicated to training; greater transparency and efficiency in career center budgets; integration of technology; a common intake process for the career centers; colocation of WIOA core and partner programs at one stop centers; and an integrated marketing plan for Alabama’s public workforce system. These aggressive, state-led accountability measures go beyond the federal requirements, which are too low to enable states to align the results of the public workforce system with the needs of the economy.

Before the passage of Alabama Act 2024-115, Alabama was one of only five states with two state workforce agencies managing the federal WIOA Title I and Title III programs. Having a single

---

<sup>4</sup> <https://www.dol.gov/agencies/eta/performance/results/states>

<sup>5</sup> <https://www.uschamber.com/workforce/the-states-suffering-most-from-the-labor-shortage?state=al>

<sup>6</sup> <https://arc-sos.state.al.us/ucp/L1529780.A11.pdf>

state workforce agency is helping Alabama to reduce the administrative costs associated with WIOA.

The reforms contained in H.R. 6655 would codify the right balance of state-level flexibilities, including many of the reforms Alabama has implemented through state action, that are needed to make the public workforce system more relevant and more effective across the United States.

The provisions of H.R. 6655 would have allowed a governor, subject to approval by the state legislature, to designate the state as a single state local area, if its population was less than 5.1 million at the time of the most recent Census, or if the state has five or fewer local workforce boards.<sup>7</sup> This reform would allow a state like Alabama to reduce unnecessary and duplicative layers of administration, while preserving the policy authority and local control of the local areas and ensuring that there is no loss of services for jobseekers and employers.

Updates to Section 119 of WIOA in H.R. 6655 would have allowed the states to negotiate and agree upon state levels of performance with the Department of Labor and Department of Education by requiring the Departments to first propose levels based on their statistical adjustment model and would have given states the opportunity to react and offer counterproposals. This reform, if enacted, would allow Alabama to better align the WIOA performance indicators with state-determined goals.

Amendments to WIOA Section 121 contained in H.R. 6655 would have permitted one-stop centers to become virtual. Local areas opting for a virtual one-stop would still have been required to have at least two physical affiliated locations and to have at least one professional staff member on site to provide in-person services through at least one affiliated location.

Amendments to WIOA Section 121 would have also reformed the funding of one-stop infrastructure by removing the requirement on local boards to negotiate an “infrastructure funding agreement” with the one-stop partners and would have defaulted to the state infrastructure mechanism in current law to effectively allocate costs by proportionate use, while still allowing local boards to develop supplemental agreements for any additional expenses. This reform, if enacted, would allow Alabama to do more with less, while also delivering services through new training modalities that meet the needs of Alabamians.

Amendments to WIOA Section 131 in H.R. 6655 would have authorized states to make an additional reservation from the state’s adult, dislocated worker, and youth allotments of up to 10 percent to establish a Critical Industry Skills Fund, an Industry or Sector Partnership and Career Pathways Development Fund, or both, provided that the state must use an equal amount of funds from the governor’s WIOA reserve or other sources of federal or state funds as a match. Engaging employers through demand-driven partnerships is key to Alabama’s workforce development strategy. This reform, if enacted, would bolster the allocated state funding for industry-led sectoral strategies and partnerships, which expand career pathways that lead to self-sufficiency.

Amendments to WIOA Section 143 would have required that no less than 50 percent of the funds allocated to a local area must be used to provide eligible individuals with skills development

---

<sup>7</sup> <https://www.congress.gov/bill/118th-congress/house-bill/6655/text>

through a WIOA Individual Training Account, a Registered Apprenticeship, or through a contract with an employer or provider, while also providing the opportunity for states to provide supportive services needed to assist individuals with persisting in training and employment. This reform, if enacted, would help Alabama to ensure that scarce WIOA funds are used to train workers, rather than by funding a large, inefficient public workforce system.

Amendments to Section 190 of WIOA would have established a state flexibility pilot authority to allow up to five states that have been approved to be single state local areas at the time of application, and that have a population less than 5.1 million and a labor force participation rate of less than 60 percent, to receive the Title 1-b funds as a consolidated grant for five years with increased flexibility through waivers of statutory and regulatory requirements. This reform would allow smaller states, like Alabama, with a substantial share of the population facing complicated barriers to participating in the workforce to compete on a level playing field with larger states and to expand flexibilities that have been available to some jurisdictions for more than 30 years.

In conclusion, several key features of H.R. 6655 would have incentivized and rewarded states like Alabama to align the results of the federally funded public workforce system with the realities of the labor market and with state-developed goals and policies.

I am grateful that this Subcommittee is holding this hearing and is addressing this most important topic head on. I look forward to answering any questions you may have during the question-and-answer period. Together, the Congress and states can take the actions necessary to ensure every citizen in this country can reach the full measure of their God-given potential.