Statement Before the House Committee on Education and Workforce, Subcommittee on Higher Education and Workforce Development Hearing on "Strengthening WIOA: Improving Outcomes for America's Workforce" March 5, 2025

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Good morning, Chairman Owens, Ranking Member Adams, and distinguished Members of the Subcommittee. Thank you for the opportunity to testify on the Workforce Innovation and Opportunity Act (WIOA), including how it can strengthen pathways to economic security and mobility for individuals as well as enhance workforce competitiveness for employers. It is a privilege to be with you today.

My Background

My remarks today are informed by two decades of professional experience at the intersection of economic development, higher education, and workforce development. During this time, I have partnered with hundreds of state policymakers, higher education leaders, workforce and economic development professionals, and employers. While much of my experience has been in Louisiana and Virginia, my role as CEO of Strada Education Foundation for the last three years has given me the opportunity to collaborate with leaders in dozens of states across the country, offering a national perspective on postsecondary education, workforce programs, and labor market alignment.

With bipartisan support of state leaders in Louisiana and Virginia, I created two of the top state workforce development programs in the U.S.—LED FastStart and the Virginia Talent Accelerator Program. These initiatives design and implement customized programs that cultivate workplace— and job—specific skills. Together they have enabled tens of thousands of people to secure quality jobs at leading employers in a variety of industries, including manufacturing, logistics, technology, and food and beverage processing. Both programs engage regularly with Louisiana's and Virginia's workforce systems, respectively, sharing insights on evolving employer talent needs and enhancing coordination between economic development and workforce agencies.

Additionally, I collaborated with state policymakers and higher education leaders in Virginia to establish the \$1.1-billion Tech Talent Investment Program to double BS/MS graduates in computer science, including a public-private partnership to create the new Virginia Tech

Innovation Campus in Alexandria. In collaboration with the State Council of Higher Education for Virginia (SCHEV), I also launched the Virginia Office of Education Economics, an exemplar of how states can leverage analytics and collaboration to enhance labor market outcomes for learners, job seekers, employers, higher education institutions, and regions. All these efforts enjoyed bipartisan support in the Virginia General Assembly.

On a personal level, I grew up as the son of a single mother in Mississippi, where a recurring sense of economic insecurity shaped my journey in search of educational and work-based learning opportunities that could provide economic security and mobility. The frequent stress and uncertainty of navigating a path from high school to career, compounded by a lack of coaching and guidance, inspired my commitment to clearing the path for others so that they can move forward with greater clarity and confidence than I experienced.

While higher education helped provide a rewarding career path for me and many others, I believe it is vital for America to offer multiple pathways to economic success that include but are not limited to a four-year degree. This is an especially urgent aspiration considering that half of recent bachelor's degree graduates are underemployed (i.e., working in jobs that don't require a college degree and typically don't provide a meaningful earnings boost compared to someone with only a high school diploma).¹

Collectively these experiences have provided me with a unique understanding of the policy levers, employer engagement strategies, and strategic partnerships necessary to strengthen the links between education, workforce programs, and labor market demands.

Our Work at Strada Education Foundation

At Strada Education Foundation, we're focused on one goal: helping clear the path between education and opportunity in the U.S., especially for those with the most standing in their way. As you know well, this work is not easy. Countless Americans are struggling to find the best path to a fulfilling career and life and aren't sure if investing their time or money in more education or a workforce program is the safest bet. Meanwhile employers often can't find the talent they need, and many thousands of good jobs are going unfilled. Capable learners and eager employers are searching for each other in a system with too many walls and not enough doors.

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¹ Burning Glass Institute and Strada Institute for the Future of Work, <u>Talent Disrupted:</u> Underemployment, College Graduates, and the Way Forward, 2024.

Our work at Strada spans the education, workforce, and employment systems. We identify solutions to make the costs of postsecondary education more affordable for all learners; support new approaches to career coaching and work-based learning; and help strengthen education-to-employment data systems that enable learners to make better informed choices about where and what to study as well as more easily see outcome data about programs and career pathways. We advance our work through actionable research, catalytic grantmaking, strategic investments, public policy solutions, and technical assistance, as well as through the work of our nonprofit affiliates (e.g., Roadtrip Nation).

The Promise and Challenge of the Public Workforce System

The 2014 reauthorization of WIOA sought to modernize the public workforce system by better aligning education and training with employer needs, promoting career pathways, and ensuring accountability through measurable outcomes. These reforms also aimed to enhance the customer experience by integrating service delivery across WIOA and its partner programs, while establishing shared performance expectations and accountability structures. Since 2014, many states and local areas have made meaningful progress in aligning services and strengthening data-driven accountability. Now, a decade after WIOA's passage, the next major opportunity—for both the workforce and employers—is to drive WIOA's evolution toward a greater focus on labor market alignment.

Too many WIOA participants complete training only to find that it doesn't lead to well-paying jobs and opportunities for growth.² At the same time, employers often struggle to access talent with the skills they need.

A fundamental barrier to achieving better outcomes is the lack of actionable data. To understand why so many WIOA participants earn less than a family-sustaining wage, we must first confront a fundamental challenge: we don't know enough about their post-program outcomes.

This challenge is not limited to workforce programs. Our world-renowned higher education sector, supported by the Higher Education Act (HEA), faces largely similar gaps in connecting educational investments to economic mobility. Both higher education and the workforce system share a common problem: insufficient information about employment outcomes to inform future program decisions.

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² Harvard Kennedy School (Deming, D., Gable, A., Lipson, R., & Zvaigzne, A.), <u>Navigating Public Job Training</u>, 2023.

To fully understand the scope of this challenge, let's look at what we know about WIOA participants—and more importantly, what we don't know, but should.

What We Do Not Know, But Should

The legislative crafters of WIOA, the U.S. Department of Labor (DOL), and State Workforce Agencies (SWAs) should be commended for all that we know about WIOA participants. Each year, SWAs collect individual participant records that provide a robust understanding of who WIOA serves and how. These records typically include information on participant employment and military service, educational backgrounds, services and training received, and more.³

However, when it comes to what happens *after* program completion, we only know two things: whether participants got a job and how much money they earn each quarter. This information is derived from wage records employers provide as part of their unemployment insurance (UI) reporting obligations—an efficient and accurate source of employment information. The workforce system has been using this data to measure success since the Workforce Investment Act of 1998 (WIA), WIOA's predecessor. At the time, using administrative data to understand program outcomes was groundbreaking, and many other state and federal programs have since followed WIA's example.

Now it's time to break new ground. Despite the substantial data collected on *who* participates in a WIOA program, we lack critical insights into their employment *outcomes*: what occupation they entered, the hourly pay rate, and where the job is located.

For instance, imagine that 60 participants—enough to ensure robust reporting—complete the same WIOA-funded training program in a given year. About half secure training-aligned jobs as skilled technicians earning \$15,000 per quarter with strong career growth potential, while the other half enter lower-wage service or retail occupations unrelated to their training, earning only \$7,500 per quarter with limited advancement opportunities. If we only look at their combined median quarterly earnings of \$11,250—a primary WIOA performance indicator—the program might appear to be performing adequately, depending on the local cost of living. However, this aggregate measure masks a stark divide: half of the participants are on a path to economic mobility, while the other half are struggling to make ends meet.⁴

³ U.S. Department of Labor, <u>ETA-9170: WIOA Participant Individual Record Layout (PIRL)</u>, accessed March 1, 2025.

⁴ A similar challenge exists in higher ed, where two graduates with the same degree field (e.g., English) can have vastly different earnings trajectories depending on the initial occupation they enter, yet program success is often judged by average or median earnings alone (see the College Scorecard).

This example highlights a fundamental gap in how we assess workforce program outcomes. More broadly, without data on occupation, hourly pay rate, and primary work location, we cannot answer important basic questions about the impact of WIOA.

Are participants finding good jobs related to their training? Are wages sufficient to support a family? Are people moving to find work, or are good jobs available locally? To what extent are workforce programs addressing unmet talent needs of employers versus preparing people for jobs that are in short supply? Are some participants earning low quarterly wages because they are in low-paying jobs, or is it because they are working part-time? Which initial occupations represent dead ends, and which ones lead to future upward mobility?

These and other critical questions remain unanswered with the data currently available.

A Foundational Step: Enhancing Wage Records

The previously noted gaps are not just frustrating—they are preventable. The solution lies in enhancing wage records to provide the insights needed for efficiency and accountability, as well as to enable workforce program participants to make informed choices.

By adding just three data points to quarterly wage records—occupation, pay rate, and primary work location—we can gain a much clearer picture of how well workforce programs meet participant and employer needs. For the first time, these additions also would make it possible to measure how well workforce and higher education programs align with employer talent needs—by occupation, region, and industry.

For example, with this additional information, we could: ensure workforce funds go to programs that place graduates in well-paying jobs related to their training; create career navigation tools that help individuals choose family-sustaining careers; and enable economic development professionals to attract employers by quantifiably showcasing (and strengthening) the available talent pool in each region.

Over the past 15–20 years, talent considerations have become the top factor influencing corporate site–selection decisions. A recent *Area Development* survey of site–selection consultants found that 100% of respondents viewed "availability of skilled labor" as "very important" or "important," making it the top site–selection factor—outranking dozens of others, including available land and buildings, energy, logistics, and even state and local incentives.⁵ Talent–driven economic development isn't just the future—it's already shaping

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⁵ Area Development, <u>20th Annual Consultants Survey</u>, 2024.

the most effective strategies today. Targeted enhancements to workforce data would be instrumental in aligning growing economies with skilled workers and ensuring that more communities, workers, and employers thrive.

Already several states have taken steps to add these missing data elements in their UI wage reporting, and many others have expressed interest in doing so. Leading business groups have expressed support for better employment data, recognizing its value for strategic education and workforce planning.

Supporting the wider adoption of enhanced wage records across the U.S. would represent a foundational step toward a more informed, effective, and efficient workforce system, and it would provide similar benefits for higher education, as well.

Without enhanced wage records, policymakers, workforce board leaders, training providers, and others will continue to lack the insights needed to understand which programs are working well and which ones are not, as well as which types of employer talent needs are consistently going unaddressed. With enhanced wage records, all these things would be possible, and learners and job seekers would have a powerful new way of making well-informed choices about career development options available to them.

What Strada Is Doing to Help

Strada is helping to bring this vision to life. For example, in April 2024, we published the inaugural State Opportunity Index, a groundbreaking annual report with five sets of indicators (Clear Outcomes, Quality Coaching, Affordability, Work-Based Learning, and Employer Alignment) showing how well each state leverages postsecondary education to strengthen pathways to opportunity for individuals and enhance workforce competitiveness for employers.

The <u>Clear Outcomes content</u> in the State Opportunity Index details progress each state is making with its education-to-opportunity data infrastructure, including enhanced wage records that can benefit both workforce and postsecondary education systems. Almost half of states have made at least some progress toward adding critical elements to wage records.

Based on interest from state data leaders, Strada is working directly or indirectly with more than 15 states on additional wage record enhancements. Our indirect engagement with states on enhanced wage records includes financial support for the Postsecondary Employment Outcomes (PSEO) Coalition, which includes dozens of states.

But collecting the information isn't enough. We are also assessing how states use the data. We look at dedicated state capacity to generate useful insights from their education and employment data, such as the excellent work of KYSTATS in Kentucky, the growing impact of the Virginia Office of Education Economics, and the promising work under way with the California Cradle-to-Career Data System. We examine the extent to which states publish open, linked, and transparent data, as well as state commitments to understanding outcomes for shorter-term and non-credit credential programs. Effective implementation of these practices in states would enable policymakers, workforce boards, and higher education leaders to strengthen the employer alignment of education and workforce programs, positioning their citizens and employers alike to thrive.

This work not only aligns with the goals of WIOA but also demonstrates the power of integrated data systems to drive economic mobility and workforce competitiveness. However, to truly maximize the impact of these initiatives, we need a public workforce system that supports and scales data-enabled decision-making. This is where a modernized WIOA can play a pivotal role.

How a Modernized WIOA Can Help

Building on the meaningful advancements of the 2014 WIOA legislation, the recent efforts to continue modernizing WIOA have been promising, especially the bipartisan focus on data, transparency, and accountability.

One of the most effective ways to accelerate state adoption of enhanced wage records is through the codification and expansion of Workforce Data Quality Initiative (WDQI) grants, as included in A Stronger Workforce for America Act. These grants provide resources that help states modernize their data systems, integrate education and workforce data, and develop tools for analyzing employment outcomes. These resources are critical to the data infrastructure of the workforce system and its ability to create and access essential real-time labor market information.

WDQI grants have already proven successful in helping states enhance their longitudinal data systems, but many still lack the resources to adopt enhanced wage records. Codifying and expanding this program would enable more states to adopt enhanced wage records, leading to better employer alignment of workforce programs and postsecondary education with employer talent needs. Ensuring that these funds prioritize education-to-employment data system enhancements, such as those I've discussed today, would significantly increase the value of those investments.

A Stronger Workforce for America Act includes several additional constructive changes, such as the Critical Industries Skills Fund; periodic assessment of whether WIOA local areas align with labor markets; and addition of a new primary indicator of performance that measures participation in work-based learning. I also applaud the efforts to require additional information from eligible training providers on the value of the credentials they award and whether they are placing individuals into training-related jobs, as well as empowering system leaders to remove funding eligibility for ineffective providers.

Strengthening employer engagement in WIOA is essential to ensuring training aligns with real workforce needs. Providing flexible funds to expand employer-driven models—such as apprenticeships, work-based learning, and industry partnerships—would help close skill gaps and increase the system's effectiveness. These employer-directed training models, much like those I helped develop in Louisiana and Virginia, can provide upward mobility pathways for incumbent and new workers, expanding opportunities for workers and broadening talent pools for employers.

Collectively these recommendations align with bipartisan priorities, from increasing economic mobility and workforce competitiveness to ensuring accountability and transparency in the use of taxpayer dollars.

Building Stronger Workforce and Postsecondary Education Systems

Continuing the momentum of WIOA advancements as recently envisioned in bipartisan legislation and supporting development of modern, education/workforce-to-employment data systems, including enhanced wage records, represent foundational steps toward strengthening America's workforce and postsecondary education systems.

Implementing enhanced wage records has the potential to revolutionize efforts to strengthen employer alignment of workforce development and postsecondary education programs by enabling all stakeholders—including policymakers, educators, employers, and learners—to make better-informed decisions. It also offers a pragmatic path to enhanced coordination without requiring complex governance changes, paving the way for more effective, efficient, and accountable workforce and education systems.

Thank you for the opportunity to testify today. I appreciate your bipartisan commitment to building stronger pathways to opportunity for individuals as well as enhancing workforce competitiveness for employers, and I look forward to working with you and your staff to help achieve this important vision for the future.