

## ***A Stronger Workforce for America Act***

Bipartisan, Bicameral Bill Summary

November 2024

A strong workforce development system is vital to strengthening our economy and providing economic opportunity for more Americans. When the Workforce Innovation and Opportunity Act (WIOA) was enacted in 2014, it made critical improvements to streamline the maze of federal workforce development programs and enhance accountability through a single set of performance metrics. However, a decade later, significant challenges persist that hamper the workforce system's ability to fund high-quality services to youth, workers, and employers to help fill job openings in growing and in-demand industries.

*A Stronger Workforce for America Act* makes critical updates to WIOA that will improve the skills development of workers provided under the law, strengthen connections between employers and the workforce system, and put more Americans on the pathway to a successful career.

### **Upgrades the skills of more Americans**

- Dedicates 50 percent of the adult and dislocated worker funding toward upskilling workers through “individual training accounts” (ITAs), on-the-job learning, and other employer-led and industry relevant initiatives. Allows local areas to count a portion of spending on supportive services for adults and dislocated workers participating in skills development toward this requirement.
- Provides eligible displaced workers with ITAs with a minimum value of \$5,000 to enroll in high-quality reskilling programs and reconnect with the workforce by repurposing existing resources at the Department of Labor.
- Allows states to set-aside funds from their state allocation to establish an “industry or sector partnership and career pathways development fund.” Through the fund, states will establish a competitive grant to support new or existing industry or sector partnerships to fund a range of education, skills development, and employment-related activities, with a non-federal cost sharing requirement based on the size of the participating employers.
- Allows states to set-aside additional funds from their state allocation to establish a “critical industry skills fund.” Through the fund, states will provide reimbursements to employers, sector partnerships, and other intermediaries for upskilling workers in the priority industries selected by the state. Reimbursements will occur only when the workers complete their program and are employed and retained in that industry.
- Raises the cap on “incumbent worker training” so local workforce boards, particularly in areas with low unemployment or high labor force participation, can help the currently employed workforce gain new skills to increase their wages, avoid displacement, and advance their careers.
- Enhances the *Adult Education and Family Literacy Act* (WIOA Title II) by including digital literacy skills as a core component of adult education and emphasizing the use of “integrated education and training” so adult learners can develop basic skills while simultaneously preparing for an in-demand occupation or industry.
- Improves service delivery and skills development opportunities through apprenticeships and industry or sector partnerships, as well as, encourages programs to implement the

principles of universal design for learning.

### **Delivers greater accountability and program quality**

- Streamlines the “eligible training provider list” to ensure programs promote positive outcomes for workers and are aligned with the skill and hiring demands of employers by focusing the eligibility process on employment outcomes and improving consumer choice by elevating high-performing providers through a new “Workforce Innovation Leader” designation.
- Updates the performance indicators to better evaluate program success. The bill makes the percentage employed during the fourth quarter after exiting a program a labor market retention measure to hold programs accountable for ensuring participants have the skills to stay in the workforce. The bill also reforms the “effectiveness in serving employers” indicator to measure the percentage of participants in employer-connected learning such as “on-the-job training” or an apprenticeship.
- Strengthens and fully implements the performance accountability system in the law to hold states and local workforce boards accountable for achieving positive labor market outcomes for program participants and drive continuous improvement across the system, while providing incentive payments to states and local workforce boards that demonstrate significant improvements in outcomes for program participants. Modernizes the delivery of services to jobseekers by directing states to periodically reassess whether their WIOA “local areas” match the labor markets and economic development initiatives of the state, while encouraging the use of virtual services and existing community hubs to reach more jobseekers at a lower cost.
- Promotes program quality improvement and raises the standards for performance and student safety in the Job Corps program by conditioning the award and extension of campus operator contracts on successful performance. Creates a comprehensive program improvement period to enhance Job Corps program quality and set clear steps for the improvement actions that must be taken if a Job Corps campus is not achieving successful student outcomes or keeping students safe. Affords campuses more local control over budgeting and programming and behavioral management and removes overly broad offenses from the list of zero-tolerance offenses while also creating an appeals process for zero-tolerance offenses.

### **Strengthens pathways to economic opportunity for youth and adults**

- Creates a new definition of “opportunity youth”, to replace “out-of-school youth”, by including youth experiencing homelessness and youth in foster care in the definition regardless of school enrollment status, and provides greater flexibility to respond to local needs by requiring 70 percent of youth funds statewide be dedicated towards serving opportunity youth while allowing states to work with their local boards to determine the appropriate percentage for each local area.
- Establishes the Youth Apprenticeship Readiness Grant (YARG) program to increase youth participation in new or existing apprenticeship and pre-apprenticeship programs and support high-quality career pathways for in-school and opportunity youth. Provides \$65 million annually to support these partnerships by repurposing existing resources at the Department of Labor.
- Places a greater emphasis on work-based learning, pre-apprenticeships, and apprenticeships for youth and enhances the quality of summer and year-round employment opportunities

available, while authorizing the use of ITAs for in-school youth to participate in skills development programs outside of the courses offered by their school district.

- Codifies and strengthens a program to help justice-involved individuals released from the nation's prisons transition back to meaningful employment and access skills and career pathways, while identifying and disseminating effective strategies to improve outcomes and reduce recidivism.
- Codifies and strengthens workforce education programs at community colleges that align with in-demand jobs by emphasizing programs with industry partnerships and those that use competency-based assessments to award academic credit for prior learning.
- Codifies the authority to issue dislocated worker grants to entities serving areas with employment and upskilling needs related to widespread substance use disorders, including to support preparation of individuals who have been impacted by substance use disorder in health professions involved in the prevention and treatment of substance use disorders.

### **Fuels innovation for a skills-based economy**

- Authorizes a demonstration authority to allow several states and local workforce boards to receive their Title I funds as a consolidated grant for five years, with flexibility to restructure their state or local workforce system to meet the needs of their workers and employers, while retaining basic workforce protections and programmatic accountability.
- Provides transparency on the credentials that are awarded by eligible providers to include credential-specific information on the awarding entity, industry recognition, the skills and competencies the credential signifies, and the employment and earnings outcomes of participants who receive the credential.
- Facilitates skills-based hiring by authorizing state and local boards to provide on their own, or in partnership with industry associations, technical assistance to employers on implementing skills-based hiring practices, while embedding competency-based assessments in the participant intake process.
- Codifies and enhances Workforce Data Quality Initiative grants to improve state workforce data capabilities by fostering cross-state collaboration, promoting integration between education and workforce longitudinal data systems, improving the timeliness and relevance of labor market data, supporting the adoption of credential navigation tools, and advancing the use of evidence and data to drive decision-making.
- Raises the cap on pay-for-performance contracting and simplifies the process for local workforce boards to contract with programs committed to delivering good outcomes, including for individuals with barriers to employment, while removing the prohibition on states using their governor's reserve on incentives for local boards using pay-for-performance contracting.
- Authorizes studies of pressing issues such as the employment conditions of WIOA program participants, improving workforce services for individuals with disabilities, the effectiveness and use of emerging technology in the workforce development system, alignment between education and workforce development systems, and the effectiveness of Job Corps.