

STRENGTHENING WIOA: IMPROVING OUTCOMES FOR AMERICA'S WORKFORCE

HEARING BEFORE THE SUBCOMMITTEE ON HIGHER EDUCATION AND WORKFORCE DEVELOPMENT OF THE COMMITTEE ON EDUCATION AND WORKFORCE U.S. HOUSE OF REPRESENTATIVES ONE HUNDRED NINETEENTH CONGRESS FIRST SESSION

HEARING HELD IN WASHINGTON, DC, MARCH 5, 2025

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STRENGTHENING WIOA: IMPROVING OUTCOMES FOR AMERICA'S WORKFORCE

Wednesday, March 05, 2025

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON HIGHER EDUCATION AND WORKFORCE
DEVELOPMENT,
COMMITTEE ON EDUCATION AND THE WORKFORCE,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:15 a.m., in Room 2175, Rayburn House Office Building, Hon. Burgess Owens (Chairman of the Subcommittee) presiding.

Present: Representatives Owens, Foxx, Thompson, Grothman, Kiley, Moylan, Onder, Harris, Walberg, Adams, Takano, McBath, Courtney, Bonamici, DeSaulnier, and Scott.

Also present: Messmer, Lee.

Staff present: Vlad Cerga, Director of Information Technology; Dara Gardner, Einstein Fellow; Wilson He, APAICS Fellow; Amy Raaf Jones, Director of Education and Human Services Policy; Libby Kearns, Press Assistant; Isaiah Knox, Legislative Assistant; Campbell Ladd, Staff Assistant; R.J. Laukitis, Staff Director; Georgie Littlefair, Clerk; Danny Marca, Director of Information Technology; Audra McGeorge, Communications Director; Ethan Pann, Deputy Press Secretary and Digital Director; Kane Riddell, Staff Assistant; Sara Robertson, Press Secretary; Brad Thomas, Deputy Director of Education and Human Services Policy; Ann Vogel, Director of Operations; Ali Watson, Director of Member Services; Ellie Berenson, Minority Press Assistant; Ariel Box, Minority Intern; Ilana Bruner, Minority General Counsel; Rashage Green, Minority Director of Education Policy & Counsel; Jo Howard, Minority Grad Intern; Stephanie Lalle, Minority Communications Director; Jessica Schieder, Minority Economic Policy Advisor; Hannah Seligman, Minority Legal Intern; Raiyana Malone, Minority Press Secretary; Kevin McDermott, Minority Director of Labor Policy; Ben Noenickx, Minority Intern; Eleazer Padilla, Minority Staff Assistant; Véronique Pluviose, Minority Staff Director; Elizabeth Tomoloju, Minority Intern; Banyon Vassar, Minority Director of IT.

Chairman OWENS. Good morning. The Subcommittee on Higher Education and Workforce Development will come to order. I note that a quorum is present, and without objection, the Chair is authorized to call a recess at any time.

Good morning, and welcome to the first Higher Education Workforce Development Subcommittee hearing of the 119th Congress. I

am excited to be discussing a bill today that we worked on with our partners on the other side of the aisle to pass in the last Congress.

Although it failed to cross the line, we are looking forward to re-starting a conversation on A Stronger Workforce for America Act. It is a belief that it is good for both the workers and the employees of America. A strong workforce development system is vital to growing our economy and providing economic opportunities to every American.

Employers are seeking high-quality workers to fill the nearly eight million open jobs in the United States. We also have 6.8 million people unemployed, many without the skills needed for these available jobs, according to the Bureau of Labor Statistics. A Stronger Workforce for America Act seeks to help bridge the gap by bringing employers and workers together.

When the Workforce Innovation and Opportunity Act, or WIOA, was enacted in 2014, it streamlined Federal workforce development programs and improved accountability. However, more than a decade later significant challenges still exist that hamper the workforce system's ability to provide high-quality services to youth, workers, and employers to help fill the gap of job openings and the growing demand of job industries.

The Stronger Workforce for America Act made critical reforms to encourage better outcomes for the workers and employers under WIOA. The bill ensured at least 50 percent would go in dislocated workers funding that will be dedicated to providing workers the skills they need, through the individual training accounts and on the job learning, and other employee-led, industry-relevant programs with the appropriate flexibility built into the live funds to also be used to support workers receiving skills development.

The bill will also increase connections between employers and workers. For example, it will allow states to establish a critical industry skills fund to reimburse employers, sector partnerships and other intermediaries for upskilling workers in the priority industries selected by the State.

The bill strengthens the law's accountability mechanisms to ensure that WIOA funds are being used effectively. A Stronger Workforce for America's Act also supported an in school and out of school youth by placing great emphasis of the work-based learning, pre-apprenticeship programs, and apprenticeships for youth, while employing the quality of summer and year-round employment opportunities.

It strengthened workforce education programs at community colleges that aligns with the in-demand jobs by emphasizing programs with industry partnerships, and those that use competency-based assessments to give academic credit for prior learning.

Not only this, but the bill sought to improve WIOA by allowing states and regions to try out innovative ideas to make the workforce system more responsive and align with the evidence-based practices. Small states can choose to consolidate their local regions to eliminate any inefficiencies, and to pool resources.

This provision was based on my One Door to Work Act, which would provide states the same opportunities to innovate that my own State of Utah has enjoyed for decades.

A Stronger Workforce for America Act makes critical updates for 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.

I look forward to hearing from our panel of witnesses, and with that, I yield to the Ranking Member for her opening statement.

[The statement of Chairman Owens follows:]



Opening Statement of Rep. Burgess Owens (R-UT), Chairman
Subcommittee on Higher Education and Workforce Development
Hearing: “Strengthening WIOA: Improving Outcomes for America’s
Workforce”
March 5, 2025

(As prepared for delivery)

Good morning, and welcome to the first Higher Education and Workforce Development subcommittee hearing of the 119th Congress. I am excited to be discussing a bill today that we worked with our partners on the other side of the aisle to pass in the House last Congress. Although it failed to cross the goal line, we are looking forward to restarting the conversation on *A Stronger Workforce for America Act* in the belief that it is good for both the workers and employers of America.

A strong workforce development system is vital to growing our economy and providing economic opportunity for every American. Employers are seeking high quality workers to fill the nearly 8 million open jobs in the U.S. while we also have 6.8 million people unemployed, many without the skills needed for these available jobs, according to the Bureau of Labor Statistics. *A Stronger Workforce for America Act* seeks to help bridge that gap by bringing employers and workers together.

When the *Workforce Innovation and Opportunity Act*, or WIOA (wee-o-ah), was enacted in 2014, it streamlined federal workforce development programs and improved accountability. However, more than a decade later, significant challenges still exist that hamper the workforce

system's ability to provide 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 made critical reforms to encourage better outcomes for workers and employers under WIOA. The bill ensured at least 50 percent of adult and dislocated worker funding will be dedicated to providing workers the skills they need through "individual training accounts," on-the-job learning, and other employer-led and industry-relevant programs, with appropriate flexibility built in to allow funds to also be used to support workers receiving skills development. The bill also increased connections between employers and workers. For example, it allows states to establish a "critical industry skills fund" to reimburse employers, sector partnerships, and other intermediaries for upskilling workers in priority industries selected by the state. The bill strengthened the law's accountability mechanisms to ensure that WIOA funds are being used effectively.

A Stronger Workforce for America Act also supported in-school and out-of-school youth by placing a greater emphasis on work-based learning, pre-apprenticeship programs, and apprenticeships for youth while improving the quality of summer and year-round employment opportunities. It strengthened 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 give academic credit for prior learning.

Not only this, but the bill sought to improve WIOA by allowing for states and regions to try out innovative ideas to make the workforce system more responsive and aligned with evidence-based practices. Smaller states can choose to consolidate their local regions to eliminate inefficiencies and to pool resources. This provision was based on my *One Door to Work Act*, which would provide states the same opportunities to innovate that my home state of Utah has enjoyed for decades.

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. I look forward to hearing from our panel of witnesses.

Ms. ADAMS. Thank you, Mr. Chairman, and I want to also thank our witnesses for being here today. Workforce development is not just an abstract policy. It directly impacts the lives of North Carolinians and millions of Americans. As I have discussed with the Chairman, this is an issue where we can come together and find common ground.

I am encouraged by the chance that we have today to make meaningful progress on this front. The workforce development system is vital to providing our workers with the skills that they need to succeed, helping employers find the required talent, and positioning our Nation for future economic growth.

As we all know, significant gaps persist. The Workforce Innovation and Opportunity Act, or WIOA, was a landmark step forward when enacted in 2014. It was a bipartisan success that sought to streamline the complex web of workforce programs and improve the accountability of our workforce systems.

WIOA's success uplifts my constituents, as well as Americans throughout our country. In Charlotte alone, the local workforce development board generates an annual economic impact of nearly 225 million dollars and provides services to over 42,000 job seekers just last year alone.

None of this would be possible without a coordinated Federal investment in workforce development. More than a decade later, we still face systemic challenges that limit its effectiveness. WIOA was intended to address these challenges, but it has become clear that we need reform. Our workforce system must ensure that every worker, especially those without a bachelor's degree, can access good-paying jobs, and gain the skills required to thrive in today's economy.

Without a fully functioning system, we risk leaving behind a large portion of our workforce. We know job seekers, especially those without advanced degrees, face significant barriers to finding stable, meaningful employment. Similarly, businesses are continuing to look to fill openings with qualified candidates.

I am pleased that our committee has consistently led the way in addressing these challenges and reauthorizing WIOA. Last Congress our committee advanced, and the House passed the WIOA reauthorization bill on an overwhelmingly bipartisan basis. Then, after the House acted, our Committee and the Senate Committee on Health, Education, Labor and Pensions reached a bipartisan, bicameral agreement entitled *A Stronger Workforce for America Act*.

This agreement updated WIOA to increase skills development, strengthen the connection between employers and the workforce system, and put more Americans on a path to success.

A Stronger Workforce for America Act also upgraded the skills of our Nation's workforce by dedicating 50 percent of the adult and dislocated worker funding toward upskilling workers and related

wraparound supports, and ensured eligible, displaced workers were provided individual training account balances with a value of at least \$5,000 to enroll in a high-quality, reskilling program.

It emphasized initiatives that equipped workers with the skills to fill jobs in critical industries and help the currently employed workforce improve their skills to avoid displacement and to advance their careers. It increased accountability by reforming what is known as the eligible training provider list to ensure that programs are of high-quality and aligned with hiring demands.

It codified two important programs to help individuals released from incarceration transition back to employment and strengthen workforce programs at community colleges. I am particularly proud that a stronger workforce for America also focused on our Nation's opportunity youth.

These are young people aged 16 to 24 who are not in school, not at work. As one of today's witnesses, Mr. Sainz notes in his excellent testimony, nearly 11 percent of 16-to-24-year-olds in my home State of North Carolina, are disconnected from school or work.

That is a big challenge for local communities, and that is why it is so critical that A Stronger Workforce for America included several key provisions aimed at helping opportunity youth gain employment opportunities and ensure that they receive services at local job centers.

A Stronger Workforce for America was supported by a diverse coalition of stakeholders, ranging from AARP to the U.S. Chamber of Commerce. I wish to enter into the record an endorsement letter from scores of youth workforce organizations, including several locations in North Carolina, Mr. Chairman.

Chairman OWENS. No objection.

[The information of Ms. Adams follows:]

December 12, 2024

The Honorable Virginia Foxx
Chair
House Committee on Education and
the Workforce
Washington, DC 20515

The Honorable Robert “Bobby” Scott
Ranking Member
House Committee on Education and
the Workforce
Washington, DC 20515

The Honorable Bernie Sanders
Chair
Senate Committee on Health, Education,
Labor, and Pensions
Washington, DC 20510

The Honorable Bill Cassidy, M.D.
Ranking Member
Senate Committee on Health, Education,
Labor, and Pensions
Washington, DC 20510

Dear Chair Foxx, Chair Sanders, Ranking Member Scott and Ranking Member Cassidy,

On behalf of the undersigned youth and workforce development organizations from around the country, we applaud House passage of the bipartisan Stronger Workforce for America Act along with the release of the Senate Health, Education, Labor, and Pensions (HELP) Committee bipartisan discussion draft to reauthorize the Workforce Innovation and Opportunity Act (WIOA). We are encouraged that both bills and the new bicameral and bipartisan agreement “A Stronger Workforce for America Act” include robust policy to help Opportunity Youth (OY) achieve positive career and education outcomes.

We are collectively committed to supporting the newly formed Bipartisan Opportunity Youth Caucus (BOYC) created by Reps. Steel (R-CA) and Carter (D-CA) and through that caucus, advancing supportive policies for Opportunity Youth and youth involved with foster care, juvenile justice, and youth homelessness systems. That is why we are pleased to see language from both the House and Senate and in the new agreement that broadens program eligibility to include homeless and foster youth within the new definition of “Opportunity Youth.” Currently, accessing WIOA for systems-involved youth can be challenging, especially if they are concurrently pursuing their education goals. Expanding the definition of Opportunity Youth to include systems-involved youth in WIOA will help youth organizations meet local needs and encourage state and local boards to develop service delivery systems to reach and serve this population.

The new bipartisan A Stronger Workforce for America Act also includes important policy changes that will improve services and outcomes for OY. That is why we are also urging you to work toward a final bipartisan compromise that maintains a high funding priority for OY while expanding effective training models such as Individual Training Accounts (ITA), work-based learning, and post-secondary credential bearing programs. We also encourage a final compromise include a focus on OY in state and local planning and board representation, along with data collection; increase the ability of local one-stops and programs to presume eligibility for services; encourage dual enrollment; and authorize more robust funding levels for WIOA programs overall.

Final passage of a WIOA reauthorization in this Congress should also include language from the Senate's discussion draft to establish Youth Apprenticeships. This language is critical to help address barriers youth have to success transitioning from secondary education and would allow for increased support services and open new doors for partnerships with leading industries, post-secondary education and training providers, while also prioritizing pathways into in-demand sectors.

As the negotiations around reauthorizing WIOA advance, our national network stands ready to help support this legislation moving forward, along with the new BOYC, and speak to the benefit of developing more pathways and supportive policies for Opportunity Youth. We look forward to working with you to ensure a final bipartisan bill is signed into law before the end of the year and again applaud your bipartisan efforts to advance this reauthorization to date.

Sincerely,

Members of the Bipartisan Opportunity Youth Caucus Coalition

Aspen Institute Forum for Community Solutions	National
Big Brothers Big Sisters	National
iFoster	National
Jobs for the Future (JFF)	National
National Network for Youth	National
National Youth Employment Coalition (NYEC)	National
Opportunity Youth United	National
REDF	National
Service Year Alliance	National
The Corps Network	National
The Forum for Youth Investment	National
Young Invincibles	National
YouthBuild Global	National
Covenant House International	Alaska
Cradle to Career Partnership	Arizona
Per Scholas	Arizona
Beloved Community	Arkansas
A New Day Home Care	California
Alliance for Children's Rights	California
Alliance for Community Empowerment (ACE)	California
ASC Foster Care Project	California

Bay Area Community Resources	California
Better Youth	California
Bridges from School to Work	California
California Coalition for Youth	California
California EDGE Coalition	California
California Family Life Center	California
California Indian Manpower Consortium, Inc.	California
California Opportunity Youth Network	California
Center for Employment Opportunities (CEO)	California
Children Now	California
Coalition for Advanced Restorative Equity (CARE4LA)	California
Coalition for Responsible Community Development	California
Conservation Corps of Long Beach	California
Covenant House International	California
Creating Coding Careers	California
CreatorUp	California
Edge Collaborative	California
Educate California	California
El Proyecto del Barrio Inc.	California
EntreNous Youth Empowerment Services	California
Envision Your Pathway	California
First Institute Training and Management, Inc.	California
First Place for Youth	California
Growing Big Ideas	California
iFoster	California
John Burton Advocates For Youth	California
Kids in Common	California
Kids in the Spotlight, Inc.	California
Kollab Youth	California
LA County Department of Economic Opportunity	California
Larkin Street Youth Services	California
Learning Works	California
New Door Ventures	California
New Ways to Work, Inc	California

OneFuture Coachella Valley	California
Paige Innovative Consulting LLC	California
Per Scholas	California
Reinvent Stockton Foundation	California
Richmond YouthWORKS	California
Riverside Community College District	California
Riverside County Workforce Development Division	California
Robbin and Associates	California
Seen & Heard	California
Sycamores	California
The Academy Project	California
The Community College Foundation	California
The RightWay Foundation	California
UNITE-LA	California
Urban Strategies Council	California
Young Invincibles	California
Youth Mental Health Academy, Child Mind Institute	California
Juma Ventures	California,
Aspen Institute	Colorado
Center for Employment Opportunities (CEO)	Colorado
Colorado Youth for a Change	Colorado
Per Scholas	Colorado
QuickStart	Colorado
Young Invincibles	Colorado
EASTCONN	Connecticut
Fairfield County's Community Foundation	Connecticut
NRWIB	Connecticut
Our Piece of the Pie, Inc.	Connecticut
Covenant House International	Florida
Mega Social Enterprise Inc.	Florida
Per Scholas	Florida
Bridges from School to Work	Georgia
Center for Employment Opportunities (CEO)	Georgia
Covenant House International	Georgia

Per Scholas	Georgia
RYSE	Hawaii
Bridges from School to Work	Illinois
Covenant House International	Illinois
First Institute Training and Management, Inc.	Illinois
Per Scholas	Illinois
Young Invincibles	Illinois
Foster Success	Indiana
Keys2Work	Indiana
Per Scholas	Indiana
Urban Wildlife Adventures Not for Profit	Indiana
Oakmont Education	Iowa
Center for Employment Opportunities (CEO)	Kentucky
The Book Works	Kentucky
Beloved Community	Louisiana
Center for Employment Opportunities (CEO)	Louisiana
Covenant House International	Louisiana
KLG Consulting`	Louisiana
New Orleans Career Center	Louisiana
New Orleans Youth Alliance	Louisiana
Operation Restoration	Louisiana
Reconcile New Orleans	Louisiana
The First 72+	Louisiana
Covenant House International	Maryland
Department of Juvenile Services	Maryland
Per Scholas	Maryland
Bridges from School to Work	Massachusetts
City of Boston	Massachusetts
Education Development Center	Massachusetts
Office of Workforce Development - City of Boston	Massachusetts
Per Scholas	Massachusetts
United Way of Massachusetts Bay	Massachusetts
Center for Employment Opportunities (CEO)	Michigan
Covenant House International	Michigan

GearUp2Lead	Michigan
Per Scholas	Michigan
Urban neighborhood initiatives	Michigan
HIRED	Minnesota
Refill Jackson Initiative	Mississippi
Beloved Community	Missouri
Boys & Girls Clubs of Greater St. Louis	Missouri
Covenant House International	Missouri
Per Scholas	Missouri
Reach Higher Montana	Montana
Covenant House International	New Jersey
Newark Opportunity Youth Network	New Jersey
Per Scholas	New Jersey
The Work Group/ New Jersey Youth Corps	New Jersey
Beloved Community	New Mexico
Bridge Street Development Corporation	New York
Bridges from School to Work	New York
Center for Employment Opportunities (CEO)	New York
Central Brooklyn Economic Development Corporation	New York
Child Development Center of MMCC	New York
Covenant House International	New York
Ellen Baxt Consulting	New York
Grace Institute	New York
GreenPath Alliance	New York
JobsFirstNYC	New York
Mosholu Montefiore Community Center	New York
New York Center for Interpersonal Development, Inc. NYCID	New York
Office of Workforce Development and Innovation - College of Staten Island	New York
Opportunities for a Better Tomorrow	New York
Per Scholas	New York
PHI	New York
Phipps Neighborhoods	New York
Snug Harbor Cultural Center & Botanical Garden	New York

South Asian Fund for Education, Scholarship and Training, Inc	New York
Staten Island Partnership for Community Wellness	New York
Stella & Charles Guttman Community College CUNY	New York
Tech Kids Unlimited	New York
The Community-Based Education Movement	New York
The Service Collaborative of WNY, Inc.	New York
Union Settlement Association	New York
Young Invincibles	New York
Youth Action YouthBuild East Harlem	New York
Youth Mental Health Academy, Child Mind Institute	New York
Youth WINS Coalition	New York
Center for Employment Opportunities (CEO)	North Carolina
HIGHTS, INC.	North Carolina
Per Scholas	North Carolina
Second Family Foundation	North Carolina
Center for Employment Opportunities (CEO)	Ohio
Oakmont Education	Ohio
Per Scholas	Ohio
The PEERS Project (formerly Lawrence County Youth Board)	Ohio
Youth Opportunities Unlimited	Ohio
Beloved Community	Oklahoma
Center for Employment Opportunities (CEO)	Oklahoma
Bridges from School to Work	Pennsylvania
Center for Employment Opportunities (CEO)	Pennsylvania
Covenant House International	Pennsylvania
Per Scholas	Pennsylvania
Philadelphia Youth Network	Pennsylvania
Beloved Community	Tennessee
Center for Employment Opportunities (CEO)	Tennessee
Beloved Community	Texas
Big Brothers Big Sisters of El Paso	Texas
Big Thought	Texas
Bridges from School to Work	Texas

Citizens for Educational Excellence, dba. Education to Employment Partners	Texas
Communities Foundation of Texas	Texas
Covenant House International	Texas
Deep East Texas College and Career Academy	Texas
Education to Employment Partners	Texas
Goodwill Industries of Central Texas	Texas
Lone Star Justice Alliance	Texas
Per Scholas	Texas
QuickStart	Texas
Retired Federal Reserve Bank of Dallas	Texas
Texas Network of Youth Services	Texas
Trellis Foundation	Texas
Young Invincibles	Texas
Per Scholas	Virginia
Juma Ventures	Washington
Per Scholas	Washington
Covenant House International	Washington, DC
Per Scholas	Washington, DC

Ms. ADAMS. As my colleagues know, A Stronger Workforce for America was on the cusp of being law last December. Initially, it was included in the continuing resolution funding the government but was unfortunately removed by the Speaker at the last minute in part due to some misinformation circulating on social media.

Today's hearing presents an important opportunity to get our effort back on track, so I appreciate Chair Walberg and Subcommittee Chair Owens for convening. Finally, I am mindful that we are a little over a week away from a potential government shutdown.

One of the reasons we must avert it is the importance of appropriately funding workforce development programs, which have been chronically underfunded. While the U.S. labor force has grown by roughly half over the past four decades, Federal spending on workforce development has fallen by two-thirds, and we must do better.

I am excited, Mr. Chair, to hear from our witnesses today. I look forward to working with you to enact A Stronger Workforce for America Act this year and continue to build the workforce system that supports workers, businesses, and our economy. Thank you, Mr. Chairman, I yield back.

[The statement of Ranking Member Adams follows:]



OPENING STATEMENT

House Committee on Education and Workforce
Ranking Member Robert C. "Bobby" Scott

Opening Statement of Ranking Member Alma Adams (NC-12)
Subcommittee on Higher Education and Workforce Development
"Strengthening WIOA: Improving Outcomes for America's Workforce"
Wednesday, March 5, 2025 | 10:15 a.m.

Thank you, Mr. Chairman. And I want to thank our witnesses for being here today.

Workforce development is not just an abstract policy; it directly impacts the lives of North Carolinians and millions of Americans.

As I've discussed with the Chairman, this is an issue where we can come together and find common ground.

And so, I'm encouraged by the chance we have today to make meaningful progress on this front.

The workforce development system is vital to providing our workers with the skills they need to succeed, helping employers find the required talent, and positioning our nation for future economic growth. But, as we all know, significant gaps persist.

The *Workforce Innovation and Opportunity Act*, or WIOA (WE-O-Uh), was a landmark step forward when enacted in 2014. It was a bipartisan success that sought to streamline the complex web of workforce programs and improve the accountability of our workforce systems.

WIOA's success uplifts my constituents as well as Americans throughout our country.

In Charlotte alone, the local workforce development board generates an annual economic impact of nearly 225 million dollars and provided services to over 42 thousand job seekers just last year alone.

And none of this would be possible without a coordinated federal investment in workforce development.

But more than a decade later, we still face systemic challenges that limit its effectiveness.

WIOA was intended to address these challenges, but it has become clear that we need reform. Our workforce system must ensure that every worker—especially those without a bachelor's degree—can access good-paying jobs and gain the skills required to thrive in today's economy.

Without a fully functioning system, we risk leaving behind a large portion of our workforce.

We know job seekers, especially those without advanced degrees, face significant barriers to finding stable, meaningful employment. Similarly, businesses are continuing to look to fill openings with qualified candidates.

And so, I am pleased that our Committee has consistently led the way in addressing these challenges and reauthorizing WIOA.

Last Congress, our Committee advanced and the House passed a WIOA reauthorization bill on an overwhelmingly bipartisan basis. Then, after the House acted, our Committee and the Senate Committee on Health, Education, Labor, and Pensions reached a bipartisan, bicameral agreement entitled, *A Stronger Workforce for America Act*.

This agreement updated WIOA to increase skills development, strengthen the connection between employers and the workforce system, and put more Americans on a path to success.

A Stronger Workforce for America Act also:

- Upgraded the skills of our nation's workforce by dedicating 50 percent of the adult and dislocated worker funding towards upskilling workers and related wrap-around supports.
- Ensured eligible displaced workers were provided individual training account vouchers with a value of at least \$5,000 to enroll in high-quality, reskilling programs.
- Emphasized initiatives that equip workers with the skills to fill jobs in critical industries and helped the currently employed workforce improve their skills to avoid displacement and advance their careers.
- Increased accountability by reforming what's known as the "eligible training provider list" to ensure that programs are of high-quality and aligned with hiring demands.
- And codified two important programs to help individuals released from incarceration can transition back to employment and strengthen workforce programs at community colleges.

And so, I'm particularly proud that *A Stronger Workforce for America* also focused on our nation's opportunity youth.

These are young people aged 16 to 24 who are not in school and not at work. As one of today's witnesses, Mr. Sainz (*PRONOUNCED "SIGNS"*), notes in his excellent testimony, nearly 11 percent of 16 to 24-year-olds in my home state of North Carolina are disconnected from school or work.

That's a big challenge for local communities.

That is why it was so critical that *A Stronger Workforce for America* included several key provisions aimed at helping opportunity youth gain employment opportunities and ensure they can receive services at local job centers.

A Stronger Workforce for America was supported by a diverse coalition of stakeholders ranging from AARP to the U.S. Chamber of Commerce – and I wish to enter into the record an endorsement letter from scores of youth workforce organizations, including several located in North Carolina.

As my colleagues know, *A Stronger Workforce for America* was on the cusp of becoming law last December.

It was initially included in the continuing resolution funding the government but was unfortunately removed by the Speaker at the last minute, in part due to some misinformation circulating on social media.

Today's hearing presents an important opportunity to get our effort back on track – and I appreciate Chair Walberg and Subcommittee Chair Owens convening.

Finally, I am mindful that we are a little over a week away from a potential government shutdown.

One of the reasons we must avert it is the importance of appropriately funding workforce development programs – which have been chronically underfunded.

While the U.S. labor force has grown by roughly half over the past four decades, federal spending on workforce development has fallen by two-thirds. We must do better.

And so I'm excited to hear from our witnesses today, and I look forward to working with all of you to enact *A Stronger Workforce for America Act* this year and continuing to build a workforce system that supports workers, businesses, and our economy.

I thank you, Mr. Chairman, and I yield back.

Chairman OWENS. Thank you, Ms. Adams. I appreciate that. Pursuant to Committee Rule 8(C), all members who wish to insert written statements into the record may do so by submitting them into the Committee Clerk electronically in Microsoft Word format by 5 p.m., 14 days after this hearing, which is March 19, 2025. Without objection, the hearing record will remain open for 14 days to allow such statements and other materials be noted during this hearing to be submitted for the official hearing record.

I note for the Subcommittee that some of my colleagues who are not permanent members of this Subcommittee may be waiving on for the purpose of today's hearing.

I now turn to the introduction of our four distinguished witnesses. Our first witness is Dr. Stephen Moret, who is President and CEO of Strada Education Foundation in Washington, DC. Previously, he was CEO of Virginia Economic Development Partnership.

Our second witness is Ms. Molly Dodge, who is Senior Vice President of Workforce and Careers at the Ivy Tech Community College, in Indianapolis, Indiana. Prior to this role, she was Chancellor of Madison College of Campus of Ivy Tech Community College.

Our third witness is Mr. Robert Sainz, who is Board Chair of the National Youth Employment Coalition in Washington, DC. He also serves as a partner of the California Opportunity Youth Network, and as Executive Director and President of the New Ways to Work.

Our fourth witness is Mr. Nicholas—Nick Moore, who is Director of the Office of Education and Workforce Transformation in the Office of Governor of Alabama, which is in Montgomery, Alabama. Previously, he served as a Teacher for America Course Member in Lowndes County, Alabama. He also worked in the offices of Representative Martha Roby, and Senator Luther Strange.

We thank the witnesses for being here today, and we look forward to your testimony. Pursuant to the Committee Rules, I will ask each of you to limit your oral presentation to a 3-minute summary of your written statement. The clock will count down from 3 minutes as Committee members may have many questions for you, and we would like to spend as much time as possible on questions.

Pursuant to Committee Rule 8(B), the Committee practice is we will not cutoff your testimony until you reach the 5-minute mark. I would also like to remind the witnesses to be aware of their responsibility to provide accurate information to the Subcommittee.

I would like first to recognize Mr. Moret for your testimony.

**STATEMENT OF DR. STEPHEN MORET, PRESIDENT AND CEO,
STRADA EDUCATION FOUNDATION, WASHINGTON, D.C.**

Mr. MORET. Good morning, Chairman Owens and Ranking Member Adams, and members of the Subcommittee. I am Stephen Moret, CEO of Strada Education Foundation. At Strada, we deploy a range of tools, including research, grant making, investments and public policy solutions, all in support of the single mission—connecting education with opportunity.

We believe in the future where every person, no matter where they started, can navigate their way to a quality education, a fulfilling career, and a life filled with growth and choices. Today, capable learners and eager employers are searching for each other in a system with too many walls, and not enough doors.

This is true across all career pathways, not just 2-year and 4-year degrees. For many WIOA participants, workforce training does not provide a strong economic foundation. For example, a 2023 Harvard study estimated that more than 40 percent of WIOA funded training participants earned less than \$25,000 per year.

The foundational promise of our education and workforce systems is to knock down walls, and open doors to opportunity. These systems have struggled to keep up with the rapid evolution of work and learning. Too many WIOA participants finished training with-

out securing a good job, while many employers struggled to find the talent with the skills that they need.

A fundamental barrier to better outcomes for both individuals and employers is the lack of actionable data. Federal and State leaders should be commended for all that we do know about WIOA participants. When it comes to what happens after program completion, we only know two things, whether participants got a job, and how much they earn each quarter.

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

By helping states that want to add these three datapoints to quarterly wage records, we can get a clear picture of how well workforce programs meet participant needs, and employer needs. For example, are participants finding good jobs related to their training? Are workforce programs meeting employee needs, employer needs, or are they training people for jobs 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 occupations represent dead ends, and which ones lead to future upward mobility.

With targeted enhancements to outcomes data, we could answer these and other important questions about WIOA, while also positioning individuals, employers, workforce boards, training providers, and policymakers to make better informed decisions.

Strada today is supporting more than 15 states working to implement enhanced wage records. Congress can accelerate this movement by codifying and expanding WDQI grants in a bipartisan and Stronger Workforce for America Act. I refer you to my written testimony for additional details, and I applaud you all for the bipartisan work you are doing to modernize WIOA. Thank you, Chairman Owens.

[The statement of Mr. Moret follows:]

**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**

Testimony of Stephen Moret, President and CEO, Strada Education Foundation

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.

¹ Burning Glass Institute and Strada Institute for the Future of Work, [Talent Disrupted: 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.

² Harvard Kennedy School (Deming, D., Gable, A., Lipson, R., & Zvaigzne, A.), [Navigating Public Job Training](#), 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, [ETA-9170: WIOA Participant Individual Record Layout \(PIRL\)](#), 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

⁵ *Area Development*, [20th Annual Consultants Survey](#), 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 [Clear Outcomes content](#) 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.

Chairman OWENS. Thank you so much. I now recognize Ms. Dodge for your testimony.

STATEMENT OF MS. MOLLY DODGE, SENIOR VICE PRESIDENT OF WORKFORCE AND CAREERS, IVY TECH COMMUNITY COLLEGE, INDIANAPOLIS, INDIANA

Ms. DODGE. Good morning, Chairman Owens, Ranking Member Adams, and members of the Subcommittee. My name is Molly Dodge, and I have the honor of serving as Senior Vice President of Workforce and Careers at Ivy Tech Community College, Indiana's largest postsecondary institution, and America's largest singularly accredited statewide community college system, serving over 200,000 students this year.

At Ivy Tech we are deeply committed to building a skills-based economy by providing high impact career coaching, employer aligned stackable credentials, and workforce training programs that directly support Indiana's key industries.

As Indiana's largest training WIOA training provider, we work closely with the Indiana Department of Workforce Development and 12 regional workforce boards to deliver training and business services to thousands of employers and learners.

This work is vital in addressing Indiana's pressing workforce challenges, including the labor force with only 72 workers for every 100 open jobs. We support key provisions in this bill, including requiring no less than 50 percent of local workforce funding to be used for skills development, expanding individual training accounts for displaced workers, the establishment of a critical industry skills fund, increasing funding for industry driven training models, and increased transparency related to outcomes and credentials earned, including their labor market value.

Indiana faces an urgent demand for skills training with projections indicating that 69 percent of our job openings in the next decade will require education beyond high school. Additionally, Indiana will need to upskill or reskill 82,000 learners annually through 2030 to meet our workforce demands.

That is a staggering challenge, and one in which additional WIOA funds would be leveraged to address. A critical industry skills fund would provide strategic focus on workforce aligned, stackable, short-term certificates, and provide additional support to expand or develop training programs aligned in Indiana's priority industries.

This provision validates the college's focus on coproduction of talent with employers, such as our partnership with Eli Lilly and Company, to create a pipeline of 1,000 trained biopharma technicians. Ivy Tech believes that it is critical to provide transparent information about the credentials earned by our students, and the value in the labor market, and therefore supports these provisions in the legislation.

The college currently tracks student earnings post-graduation, ensuring our programs lead to wages above Indiana's median income. The college is also embarking on a new partnership with CredLens to enhance our understanding of the labor market value and outcomes associated with micro credentials, industry certifications, and licensure program completions.

The reauthorization of WIOA represents a critical opportunity to strengthen Indiana's workforce. Ivy Tech strongly supports the provisions in A Stronger Workforce for America Act, which align Federal workforce investments with Indiana's economic priorities.

Thank you for the opportunity to testify in support of this legislation.

[The statement of Ms. Dodge follows:]

**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

**Testimony of Molly Dodge, Senior Vice President Workforce and Careers
Ivy Tech Community College**

Good morning, Chairman Owens, Ranking Member Adams, and members of the subcommittee.

My name is Molly Dodge, and I have the honor of serving as Senior Vice President of Workforce and Careers at Ivy Tech Community College of Indiana. Ivy Tech is Indiana's largest postsecondary institution and America's largest, singly accredited statewide community college system, serving more than 200,000 students this year. Ivy Tech's Workforce and Careers division provides high-impact career coaching, work-based learning opportunities, employer-aligned stackable credentials and degrees, and skills training (non-credit offerings) aligned to the needs of employers in Indiana's key industry sectors.

At the end of 2024, Ivy Tech conducted a series of listening sessions with college staff whose roles include the implementation of career training programs supported through federal programs authorized under the Workforce Innovation and Opportunity Act (WIOA). Based on this feedback, I will outline areas of focus within "*A Stronger Workforce for America Act*" and how the reauthorization of this legislation would provide substantial benefits to Hoosiers and the State of Indiana.

Ivy Tech supports provisions of the bill that align with Indiana's workforce priorities to build a more responsive, skills-based economy and strengthen the connections between employers and the workforce system.

We urge the Committee to ensure that the final WIOA reauthorization:

1. Increases funding for skills training and employer partnerships;
2. Strengthens industry collaboration and skills-based hiring practices; and
3. Holds programs accountable for employment and earnings outcomes.

Relevant Provisions from “A Stronger Workforce for America Act”:

- Requires that no less than 50 percent of the funds allocated to a local area be used to provide eligible individuals with skills development through an ITA or a contract with an employer or provider such as “on the job training,” “incumbent worker training,” “employer-directed skills development,” and pay for performance contracts.
- Provides eligible displaced workers with ITAs with a value of \$5,000 to enroll in high-quality reskilling programs and reconnect with the workforce.
- Places a greater emphasis on work-based learning for youth and authorizes the use of ITAs for in-school youth to participate in skills development programs outside of the courses offered by their school district.
- 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 that award academic credit for prior learning.
- Establishes a new statewide required activity of coordinating with industry and education stakeholders to identify or develop competency-based assessments that measure knowledge, skills and abilities for the purpose of awarding postsecondary credit and developing individual employment plans.

As Indiana’s statewide community college, Ivy Tech is the largest WIOA training provider to the Indiana Department of Workforce Development. In partnership with the Indiana Workforce Board Alliance that includes twelve workforce boards across the state, Ivy Tech delivers training services to youth and adults enrolled in Title I and Title II programs, including unemployed and underemployed adults (ages 18+); dislocated workers; and in and out of school youth. In addition, Ivy Tech partners with these regional workforce boards to provide business services to over 18,000 Indiana employers.

Career Link is Ivy Tech Community College’s comprehensive career development service, dedicated to supporting students, alumni, employers, and the broader community. Its mission is to facilitate transformative career development and forge meaningful connections between education and employment.

From the outset of their academic journey, students collaborate with Career Coaches to identify interests, strengths, and career objectives. This partnership ensures a clear plan toward achieving professional goals. Talent Connection Managers create access to internships, job shadowing, employer panels, and more, allowing students to gain practical experience and build professional networks.

Career Link collaborates with employers to create customized plans for engaging with students, identifying qualified candidates, and hiring graduates equipped with relevant skills. Employer Consultants within Career Link partner with faculty subject matter experts to offer standard and customized training programs. These short-term skills training classes and industry certifications are open to anyone seeking to advance their job skills or enter the workforce. These offerings are tailored to support key Indiana economic sectors and community needs. By focusing on employability skills such as communication,

conflict resolution and problem solving and aligning educational outcomes with industry demands, Career Link plays a pivotal role in strengthening Indiana's workforce and supporting economic growth.

At present, Indiana has only 72 available workers for every 100 open job positions. Indiana's tight labor market means employers can no longer afford a passive approach to workforce development. Instead, employers must become active co-developers of talent, partnering with education and workforce systems to shape training programs that meet their specific needs.

At Ivy Tech Community College, we have seen this shift in action. Over the past two years, Ivy Tech has engaged in nearly 1,600 contracts with employers to deliver on-demand, customized skills training. Last academic year, 19,000 students enrolled and completed skills training at Ivy Tech: an 115% increase from 2018-2019.

Skills-based training helps employers address immediate workforce challenges while also creating long-term opportunities for employees. Many of these learners can leverage the College's [training and certification and military crosswalks](#) to translate the competencies they master in skills training into academic credit, seamlessly transitioning into degree programs that open doors to even greater career advancement.

To bolster and scale credit for prior learning, Indiana's higher education coordinating body, the Indiana Commission for Higher Education, convened state higher education institutions, including Ivy Tech, to create and affirm a statewide framework for accepting and expanding credit for prior learning, recognizing competencies from apprenticeships and work-based training as earned credit for adults returning to college.

The demand for skills training is urgent in Indiana. Recent research conducted by TEconomy Partners in collaboration with Ivy Tech revealed that 69% of projected job openings in Indiana's key industry sectors over the next decade will require education beyond high school. These roles will demand additional training — whether through stackable credentials, licenses, micro-credentials, or third-party certifications. Research from TEconomy Partners estimates that Indiana will need to upskill or reskill 82,000 learners annually over the next ten years to fill these positions and replace retiring workers. That's a staggering challenge — and one in which additional WIOA training funds would be leveraged to address.

Employers are increasingly recognizing the value of this investment. In a recent survey of employers, 88% of respondents reported that Ivy Tech's skills training programs directly enhanced employee competencies and skills. This type of targeted, employer-driven training will be the difference maker as technologies such as artificial intelligence and automation continue to transform workforce needs.

Related to youth, Indiana is currently scaling a statewide Indiana Career Apprenticeship Pathway, with a goal of 50,000 youth apprentices by 2034, modeled after Switzerland's vocational training system. A significant component of these plans is the identification of industry associations in banking, advanced manufacturing, IT, life sciences and healthcare

that will inform the knowledge, skills and abilities of hard to fill roles and industry trends requiring shifts in educational offerings. An emphasis on WIOA ITA funding for youth will align and augment the Indiana's Career Scholarship Account (CSA) program that provides \$5,000 per year to eligible 10th, 11th, and 12th graders to pursue apprenticeships and other work-based learning. The program is intended to help students prepare for careers and remove barriers to their participation in career programs.

Relevant Provisions from “A Stronger Workforce for America Act”:

- 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.
- Raises the cap on incumbent worker training so local workforce boards can help the currently employed workforce gain new skills to avoid displacement and advance their careers.
- Streamlines the eligible training provider list to ensure programs are aligned with the skill and hiring demands of employers by focusing the eligibility process on employment outcomes, providing an on-ramp for newer programs to receive eligibility under a performance-funding model, and creating a process for employers to “sponsor” a program as a signal of high quality and industry-relevance.

At Ivy Tech, nearly 14,000 students in 2023-2024 completed short-term workforce-aligned certificate training, an 87% increase since 2018-2019. These certificates are industry-led and championed for development at Ivy Tech through our statewide advisory boards and curriculum committees. Recent examples include short-term certificates aligned to technician roles in semi-conductor, electric vehicle, biotechnology, supply chain, precision agriculture and cyber security. These certificate programs stack into technical certificates and associate degrees designed to align with career paths within an industry.

Together, the College saw a 69% increase in workforce and skills training headcount in 2023-2024, representing its fastest-growing enrollment sector.

These provisions of the bill will ensure Indiana receives additional support to expand or develop training programs in the State's priority industries (e.g., advanced manufacturing, healthcare, IT, logistics). Available funding could be purposed for scholarships, reduced tuition, or free training opportunities for students. A strategic emphasis on employer-backed programs will assist the College in attracting more students to high-wage careers, particularly working adults looking to upskill. In addition, Indiana employers could access reimbursements for training provided through Ivy Tech, allowing the college to further scale our Achieve Your Degree and employer/industry association co-designed training programs aligned to current hiring demands.

Achieve Your Degree: Many employers offer tuition reimbursement programs designed to be leveraged to upskill their incumbent workforce, but upfront costs deter workers from accessing them. Ivy Tech's Achieve Your Degree program, in

partnership with over 340 Indiana employers, eliminates these barriers by allowing students to enroll with minimal or zero upfront costs. Billing is deferred until the end of the semester, when students can apply their tuition reimbursement plans per company policy. This population of students grew over 30% in 2023-2024 and is currently up 11% over this time last year. Preliminary research conducted by the RAND Corporation suggests that students sponsored by an employer are more likely to complete a certificate or degree program than other Ivy Tech students who are not sponsored by an employer as part of the Achieve Your Degree program.

Employer Led Pipeline Strategy: Eli Lilly and Company, a global pharmaceutical company headquartered in Indianapolis, Indiana, is known for its innovation in drug development, particularly in the areas of diabetes care, oncology, immunology, neuroscience, and cardiovascular diseases.

Eli Lilly and Ivy Tech have launched a formal partnership, [Lilly Scholars](#), designed to create a 1,000-technician pipeline for the company. Eli Lilly provides full tuition scholarships and wrap around support services to students who enroll in specific pathways and guarantees interviews to graduates. Eli Lilly is also leveraging Ivy Tech for customized skills training designed to speed time to competency of their new hires in their Lebanon, Indiana manufacturing facilities.

With the support of the Central Indiana Corporate Partnership's BioCrossroads industry sector association, Ivy Tech is currently scaling this pipeline strategy to include additional life sciences employers focused on hiring skilled technicians.

Relevant Provisions from “A Stronger Workforce for America Act”:

- 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.
- 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 that receive the credential.
- 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.

Ivy Tech provides transparent information about the credentials earned by our students and their value in the labor market and therefore supports these provisions in the legislation.

Ivy Tech currently tracks student earnings post-graduation, ensuring our programs lead to wages above Indiana's median income. This is one of four key metrics in our strategic plan. Our current systemwide target is that 60% of our graduates working full time will earn above Indiana's median wage three years after graduation by 2025-2026. We chose the three-year time frame because the category of census data we are using is comparing our

student wages to wages of adults ages 25 and older at all education levels, including bachelors, masters, or doctorate. To calculate this metric, Ivy Tech has a data sharing agreement with the Indiana Department of Workforce Development. This data is also leveraged in career coaching conversations with students and our statewide annual academic program review process designed to ensure each campus is meeting their region's labor market needs and the College is meeting the State's demand for skilled talent.

Ivy Tech is embarking on a new partnership with CredLens, a trusted national resource for verified non-degree credential data, to enhance our understanding of the impact of micro-credentials, certifications, and licensure earned by our students. Through this collaboration, Ivy Tech will gain deeper visibility into the non-degree credential landscape in Indiana, enabling us to assess their value in the labor market. By leveraging CredLens' verified data, we aim to equip learners, employers, and policymakers with the insights needed to recognize how these non-degree credentials align with in demand skills and competencies in key industry sectors in Indiana.

The reauthorization of WIOA represents an opportunity to strengthen Indiana's workforce by ensuring more Hoosiers gain access to high-quality training, employer-aligned credentials, and meaningful employment opportunities. Ivy Tech strongly supports the provisions in "A Stronger Workforce for America Act," which align federal workforce investments with state economic priorities.

Thank you for this opportunity to testify in support of this bill.

Chairman OWENS. Thank you so much. I now recognize Mr. Sainz.

STATEMENT OF MR. ROBERT SAINZ, CHAIR, BOARD OF DIRECTORS, NATIONAL YOUTH EMPLOYMENT COALITION, WASHINGTON, D.C.

Mr. SAINZ. Thank you, Chairman Owens, Ranking Member Adams, and members of the Subcommittee. Thank you for this opportunity to testify this morning. My name is Robert Sainz, and as previously mentioned, I spent 31 years in the public sector, 16 years as a WIOA administrator.

Currently, I serve as Executive Director for New Ways to Work, as well as a partner with the COYN, the California Opportunity Youth Network, and I previously was the President of the Workforce Development Council for the U.S. Conference of Mayors.

As you can see, I like to work. One of the reasons why I like to work is on this particular population of opportunity youth. The National Youth Employment Council has over 46 years of representation for this particular population. The 16-to-24-year-olds in the country, there are 4.6 million who are not in school and who are not at work.

I'll say that again, it is nearly 4.3 million, that is over 10 percent of our young adult population not in school and not at work. What are their life's chances if they are not connected to school and work? We need to be able to connect these young people now. Our economy is changing and it is changing rapidly, and if they are not connected now, their life chances in terms of economic prosperity and mobility is going to be severely challenged.

As a membership organization with over 160 members throughout the country, we work real extensively with Federal, State and

local lawmakers to be able to advocate for this population, as well as to bring best practices of how to reach and to reconnect these young people to school, and to work.

As you know, all people—all young people need supportive services. They need financial resources. They need basic needs like transportation and housing and food. Opportunity youth are no different. Many times, they do not have the access to these stable provisions.

We need opportunity youth to be served because they are represented throughout the country. In Utah, 8.5 percent of 16-to-24-year-olds are disconnected. As mentioned previously, in North Carolina, nearly 11 percent are disconnected. There are significant economic benefits to reconnecting young people to school and to work.

The Federal Government itself would gain 11,900 for each young person who is reconnected every year. If we were to reconnect all 4.3 million opportunity youth in the United States, this will contribute 51 billion per year to the economy. Importantly, the economic benefits of reconnecting youth show up in long-term indicators, like increased income, discretionary spending, higher levels of home ownership, employment rates and better overall health.

Conversely, the costs of not reconnecting these young people are high. Each year not reconnected opportunity youth represent a tax burden of \$13,900 and a social burden of \$37,450. Fortunately, programs like the WIOA, WIOA Youth, YouthBuild and reentry employment opportunities serve as a lifeline to over 130,000 young people each year.

Today's hearing comes at a critical moment. Young people are seeking jobs and seeking education, and employers need these young people to actually serve their labor needs. Programs like WIOA help connect these two interests, but as you know the law has not been reauthorized since 2014.

Last year we came close to having the law passed. The bipartisan, bicameral agreement reauthorized WIOA, also known as A Stronger Workforce for America Act, came close to being passed, and it was in the right direction. It made major steps to connect more young people to school and work.

As a part of our efforts to support the bill, we created the bipartisan Opportunity Youth Caucus, in conjunction with Chairman Owens and former Congresswoman Steel. This bipartisan Opportunity Youth Caucus, we are hoping to have it reestablished this Congress as well and hope all members can join.

NYEC is supporting ASWA for many reasons. No. 1 is the 65-million-dollar competitive youth apprenticeship readiness grant that is going to actually increase youth apprenticeships and create apprenticeship opportunities. It actually creates a new definition of set of in school and out of school to talk about opportunity youth.

We also support the bill because it codifies the reentry employment opportunity program. It also encourages or mandates a State and local workforce boards have a plan for opportunity youth. We will have more details in the written testimony here, and thank you for this opportunity.

[The Statement of Mr. Sainz follows:]



Written Testimony of Robert Sainz

Board Chair

National Youth Employment Coalition

Submitted to the

House Committee on Education and Workforce Subcommittee on Higher Education and Workforce Development

“Strengthening WIOA: Improving Outcomes for America's Workforce”

Wednesday, March 5, 2025

Chairman Owens, Ranking Member Adams, and Members of the Subcommittee, thank you for the opportunity to testify this morning.

My name is Robert Sainz, and I am representing the National Youth Employment Coalition (NYEC) as its Board Chair. I have spent 31 years of my career in the public sector, of which the last 16 were as the Assistant General Manager for the Economic Development Department in the City of Los Angeles and as the city's WIOA administrator. I proudly serve as a partner of the California Opportunity Youth Network (COYN), Executive Director and President of New Ways to Work, and as past President of the Workforce Development Council at the U.S. Conference of Mayors.

For more than 46 years, the National Youth Employment Coalition has been a leading national organization advocating for opportunity youth, young people ages 16-24 **who are not in school and not in work**. It is estimated by a leading research organization, Measure of America, that there are currently 4.3 million young adults (nearly 10%) who are not in education or training programs and not in the labor force. These young adults will quickly be left behind in our rapidly changing economy and statistically will have very shaky future connections to the labor market over their lifetimes, should they not be reconnected.

As a membership organization with more than 160 community based, workforce development boards and education/training organizations across the country who serve tens of thousands of youth, NYEC leverages its members' expertise to identify and disseminate best practices in serving opportunity youth with federal lawmakers. Through capacity building, technical assistance, and policy and advocacy, NYEC aims to reconnect the 4.3 million opportunity youth in the United States to quality work and education opportunities.

All young people need access to supportive mentors, financial resources, and basic needs like transportation, housing, and food, in order to thrive in the workplace and school. Opportunity youth are no different, yet sometimes they lack these supports. Opportunity youth are in every community in the United States: rural and urban. In [Utah](#), 8.5% of 16-24-year-olds are disconnected; in [North Carolina](#), nearly 11% are disconnected.



There are [significant economic benefits](#) to reconnecting these young people: the federal government would gain an estimated \$11,900 for each reconnected young person *per year*. If we were to reconnect all 4.3 million opportunity youth in the United States, the federal government would gain \$51 billion *per year*. Importantly, the economic benefits of reconnecting these youth show up in long-term studies in many important areas like increased income and discretionary spending, higher levels of homeownership, employment rates, and better health overall.

Conversely, the costs of not reconnecting these young people are high: each year, [not reconnecting](#) opportunity youth represents a tax burden of \$13,900, and a social burden of \$37,450.

Fortunately, there are federal programs targeted towards these young people, namely those within the Workforce Innovation and Opportunity Act (WIOA), such as the WIOA Youth program, YouthBuild, and the Reentry Employment Opportunities (REO) program. These programs serve as a lifeline to more than 130,000 young people each year.

Today's hearing comes at a critical moment: young people are seeking jobs that put them on career pathways and employers are looking for workers with certain skillsets. Programs under WIOA help bridge these two interests, but the law has not been reauthorized since 2014. Members of this Subcommittee know that the world of work has changed significantly since then, and therefore our public workforce system must adapt.

Last Congress, Congressional leaders on this Subcommittee, and the full Committee, worked with their Senate counterparts to reach a bipartisan, bicameral agreement to reauthorize WIOA, also known as A Stronger Workforce for America Act (ASWA). While the agreement ultimately did not get signed into law, it took a step in the right direction to reauthorize WIOA – and major steps to help connect more young people to school and work.

We were happy to be able to work with members of the Committee, including Chairman Owens and former Congresswoman Steel, to form the Bipartisan Opportunity Youth Caucus to help support the development and passage of ASWA. We are working to re-create the Bipartisan Opportunity Youth Caucus this Congress and hope all Members will consider joining.

NYEC supported ASWA for several reasons:

First, ASWA creates a new \$65 million competitive grant program called the Youth Apprenticeship Readiness Grant program. This innovative program would increase youth participation in new or existing registered apprenticeship and pre-apprenticeship programs for in-school youth and opportunity youth.

ASWA 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. This change not only shifts to a better definition of the youth that need services the most based on the research but also expands the ability of our states and local workforce boards to meet their goals.

It also includes an update that NYEC and others in the opportunity youth field have recommended for years: shifting the burden of determining eligibility for services from the young person to the provider. This change would allow programs to immediately serve young people upon their arrival,



removing an issue we've observed where programs have turned away young people who did not have documentation to demonstrate eligibility.

ASWA codifies the Reentry Employment Opportunities (REO) program, which helps justice-impacted individuals find employment. We were pleased to see that 20% of its funds would be dedicated to serving youth transitioning out of the justice system.

NYEC was encouraged to see that ASWA mandates that state and local workforce boards conduct an analysis of the opportunity youth population in their respective areas. This analysis will inform state and local plans on how to best serve the opportunity youth in the local area and state. It also encourages opportunity youth voices at local tables, promotes dual enrollment, and opens up and promotes more high-quality training opportunities for these young people.

Lastly, ASWA authorized increased funding for WIOA Youth program over FY 2024 funding levels. While we know that authorized funding does not mean appropriators will fund at that level, we were encouraged by the strong bipartisan, bicameral agreement that the WIOA Youth program needs to be funded above current levels. We know that in order for the goals of ASWA to be successful, the WIOA Youth program and the broader workforce system must be properly resourced.

I want to thank Chairman Owens, Ranking Member Adams, and the members of this Subcommittee for the opportunity to speak before you today. I encourage this Subcommittee to build off of the bipartisan work that led to ASWA and move to reauthorize WIOA with opportunity youth centered so our nation's young people can achieve their career and education aspirations. I am happy to answer any questions members of the Subcommittee may have for me. Thank you.

Chairman OWENS. Thank you, Mr. Sainz. I appreciate it. Our last witness is Mr. Moore, for your testimony. Thank you.

STATEMENT OF MR. NICHOLAS "NICK" MOORE, DIRECTOR, OFFICE OF EDUCATION AND WORKFORCE TRANSFORMATION, MONTGOMERY, ALABAMA

Mr. MOORE. Thank you, Chairman Owens, Ranking Member Adams, and distinguished Subcommittee members. It is a pleasure to testify before you today. Reauthorizing WIOA can incentivize states to align the workforce system with the economy. States were eager to see A Stronger Workforce for America Act, or H.R. 6655, become law last Congress, and the 119th Congress provides another opportunity to modernize our Nation's workforce system.

For program year 2022, almost 44 percent of Alabama's IOWA Title I allocation was spent on administration, just over 3,000 Alabamians exited training, and only 34 percent were employed in a training related occupation a year later. The disparities between the results of the public workforce system and the realities of the labor market are also endemic nationally.

In 2022, just over 200,000 Americans were provided training services through WIOA. Approximately 127,000 exited training and just over 35 percent of those were employed in a training related occupation. Alabama has combined work-based learning, industry recognized credentials, and has launched the Alabama Talent Triad working with the private sector as the Nation's first full-scale talent marketplace in 2023.

In 2024, Governor Ivey signed the Working For Alabama legislative package, which gives Alabama mandate to improve performance. These aggressive, state-led accountability measures go beyond Federal requirements, which are just far too low.

H.R. 6655 would have allowed states to be designated as single State local areas. This reform allows states to receive—to reduce rather duplicative layers of administration, while preserving local control and services for job seekers and employers.

Revisions to Section 119 would have allowed states to negotiate performance levels with the U.S. Departments of Labor and Education by requiring those departments to first make and propose, and then for states that offer counter proposals. These reforms will allow Alabama to align the WIOA performance indicators with State determined goals.

Amendments to Section 143 would have required at least 50 percent of local area funds to be expended on training, while also authorizing supportive services. These reforms would assist Alabama with training more workers, rather than funding an inefficient workforce system.

Amendments to Section 190 would have allowed up to five states already approved to be single State areas to receive a consolidated WIOA Title I grant. This reform will allow smaller states, like Alabama, to compete on a level playing field. Again, thank you, and I am grateful that this Subcommittee is holding this hearing. I look forward to answering your questions, working together, the Congress and the states can ensure that all Americans have an opportunity to reach the full measure of their God given potential. Thank you, Mr. Chairman.

[The statement of Mr. Moore follows:]

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 119th 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 2024.¹ 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.²

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.³

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

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

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

³ 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.⁴ 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 2024.⁵

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 I-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.⁶ 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

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

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

⁶ <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.⁷ 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

⁷ <https://www.congress.gov/bills/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 I-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.

Chairman OWENS. Thank you so much for that. Under Committee Rule 9, we will now question the witnesses under the 5-minute Rule. I will recognize myself for the first 5 minutes. Mr. Moret, in your written testimony you talked about the need to use more data, effectively to track, and ultimately improve performances.

In your experience, why would a workforce and educational system be reluctant to improve their use of data, or do you think it is a lack of technical expertise?

Mr. MORET. Chairman Owens, thank you for that thoughtful question. In my personal experience higher education leaders generally welcome that data, but that data is not readily available to them. The vast majority of institutions do not have the data systems, the capacity, to really track that at the institutional level.

Creating this sort of State level capacity that can serve the whole State and all the institutions within the State, I think is a really critical step. One of the reasons why we think inclusion of certainly the expansion of WDQI grants in A Stronger Workforce for America Act is such a positive development.

I think as more data becomes available, I do think we are going to see those institutions be responsive. One of the big changes that has happened in the last few years is as affordability concerns become really paramount in the public, we are seeing more and more higher education institution leaders being more and more focused on employment outcomes, outcomes after completion.

We think that is a really positive development, but we think we need better data to help them do that work.

Chairman OWENS. Okay. Thank you so much. Ms. Dodge, in your written statement you mentioned the Critical Industry Skills Fund, and increasing the cap of incumbent work training that were proposed in the Stronger Workforce America Act. How would these provisions strengthen the connection between the workforce system and employers?

Ms. DODGE. Thank you for that question, Chairman Owens. These provisions deepen employer engagement with the workforce system by making training investments more strategic, outcome focused and aligned with industry needs. That critical industry skills fund will provide performance-based payments to training providers, ensuring funds are directed toward industries that employers identify as critical to their growth.

This provision puts employers in the driver's seat, or as we call this at Ivy Tech, co-production of talent with employers, allowing them to play a direct role in defining workforce needs and skills gaps. This fund can also incentivize regional partnerships where multiple employers in the same industry, like advanced manufacturing, healthcare, or logistics, co-develop training pipelines that benefit all businesses within the sector.

Finally, increasing the cap on incumbent worker training enables local workforce boards to provide more funding for employers to upskill and retain experienced workers. As you heard in my testimony, that is critical to the growth of Indiana, and also these funds will enable employers to reskill employees into hard to fill roles.

Both of these provisions provide more agency to employers, ensure alignment of our training programs with real job market needs, and they also create a continuous feedback loop, where employers can provide real time feedback on training effectiveness, allowing training providers like community college to adapt those programs as needed.

Chairman OWENS. Thank you so much for that. Mr. Moore, you mentioned in your testimony that A Stronger Workforce for Amer-

ica Act would establish a pilot to allow certain states and local areas to receive their WIOA Title I grants, as consolidated grants with increased flexibility.

The provisions based on my One Door to Act, which is in turn based on reforms taken in Utah. How could such pilot authority benefit workers and employers in Alabama?

Mr. MOORE. It is a very important question, Mr. Chairman. Over the last six program years, Alabama has lost 58 percent of its Title I defunding. At the same period of time, we have seen increased needs of our employers in each of our regions. If we allow states working through your one workforce solution to not only have the block grant for the Title IB programs, but also to become a single State area, will allow more of those dollars to be spent on training, and to get more people connected to the labor force, so that we could begin to connect the labor force participation rate, and the number of people that exit our WIOA programs.

Chairman OWENS. Thank you. First of all, I am very, very excited about this process going through, and working with my colleagues across the board. This is something we all need, America needs big time, so thanks so much for that. I am now going to recognize the Ranking Member for the purpose of her questioning.

Ms. ADAMS. Thank you, Mr. Chairman, and again, thank you to the witnesses today. Ms. Dodge, community colleges are the backbone of workforce training in this country now. I am a former professor of a 4-year institution, but I do understand the value of our community colleges as it relates to that because they provide job training that is affordable, accessible, directly connected to employers' needs.

Despite their importance, there is no dedicated funding for community colleges under WIOA. That is why the bicameral, bipartisan, A Stronger Workforce for America Act would codify the strengthening of community college training programs. We have them all over our State.

We have one in my district in Charlotte, but besides tech for example, receiving a 5 million dollar grant to support workforce development in advanced manufacturing, and working with seven other community colleges in North Carolina to expand those opportunities, so what role do community colleges play in strengthening the workforce system, and why is dedicated capacity building investment like the Strengthening Community College training grants so critical for these institutions to meet employee demand, support workers who need training the most?

Ms. DODGE. Thank you, Ranking Member Adams, for that question, and thank you for your passion for the mission and the goals of our community college system nationwide. This WIOA funding, this reauthorized bill would enable community colleges to work in a more collaborative and systematic fashion, with workforce boards, as well as employers.

Creating that backward designed programmed development from the needs of employers through the community college system, and into even our high schools, CTE programs, provides a pipeline of workers for critical industries within the State of Indiana.

That pipeline right now is leaky, and we lose individuals who cannot—do not understand, or do not find their why in high school

or in college, and that is where career coaching plays a very important role in ensuring that students know why they are enrolled in educational programs, and what the outcome of those educational programs are.

Also, the employers providing that pool system from these programs, being at the table, working with us on developing the curriculum, ensures that our graduates are offered interviews, and ultimately hired for these hard to fill roles. As it relates to you—

Ms. ADAMS. Go ahead.

Ms. DODGE. As it relates to your question about the Strengthening Community College grant, we were fortunate to receive such a grant in October 2022. It is focused on helping employers in our State modernize and automate their—through the Manufacturing Skills Standards Council, their supply chains—

This is brand new—a brand-new certification that is industry aligned to the skills and competencies needed in logistics. That grant also provided us with critical funding to purchase equipment to offer this certification to our students.

Ms. ADAMS. Let me move on to this next question. We had, of course, hurricanes last year in North Carolina, left thousands without shelter and work, and so WIOA dislocated worker programs, 11 counties received access to job training. Mr. Sainz, given the increase of severity and frequency of natural disasters, would you explain the critical role that WIOA plays in disaster response?

Mr. SAINZ. Thank you for that timely question. In California, with the fires as an example, the WIOA dollars and emergency grants have come from both the feds and the State, has allowed the local workforce boards to actually employ dislocated workers to assist on the fire recovery.

As those programs have historically rolled out on the emergency programming, we were able to reach populations that had—wanting to get back into the workforce and labor market, and that were really provided a real strong way to connect them with immediate work opportunities.

Ms. ADAMS. Okay. Well, thank you very much, Mr. Chairman, I yield back.

Chairman OWENS. Thank you. I would like to now recognize my colleague from Missouri, Mr. Onder.

Mr. ONDER. Thank you, Mr. Chairman, and thanks to all the witnesses for coming here for this important issue. One of the biggest impediments to the success of the Federal workforce development programs is the amount of red tape that local workforce boards must navigate.

In any reformation of the workload innovation—Workforce Innovation and Opportunity Act, we must make it easier for local workforce boards to partner with one stop partners to establish one stop delivery systems. Right now, WIOA requires local boards to develop a memorandum of understanding with all one stop partners pertaining to the operation of one stop delivery systems in the local area.

A key component of that is the infrastructure funding agreement, which establishes the costs for general one stop operations, such as facility rental and so on. You know, many times there is confusion between the State method and the local method. This is often an

unnecessarily long process that takes away valuable time and resources from helping people find jobs.

Last Congress, the House passed A Stronger Workforce for America Act, which included language to reform the funding of one stop infrastructure by removing the requirement on local boards to negotiate an IFA with the one stop partners and defaulting to the State infrastructure mechanism.

I believe there is still more we can do to streamline these processes. Mr. Moore, in your testimony you discussed how Alabama is striving to improve program efficiency. You mentioned that last year Governor Ivey signed into law the Alabama Workforce Transformation Act, which directs the Alabama workforce board to improve performance through technological integration.

How can we, Mr. Moore, at the Federal level, help states to leverage modern technological advances with the need for regulatory compliance, and hopefully minimize that time needed for regulatory compliance?

Mr. MOORE. Thank you for that very important question. One, there is far too much system in the money right now, and I appreciate you mentioned the State funding mechanism because right now states are required to watch local workforce development boards sometimes negotiate to the point of frustration until the Governor can step in and provide the State funding mechanism.

We can also, I think, look at a little bit nuanced way about how we are funding the physical footprint for our one stop delivery system. How many people do we have per square foot? What is the foot traffic? Are we simply giving somebody directions to the 7-11, or are we actually delivering services and that foot traffic pattern?

We have to combine policy, technology and process to make this system more efficient. No. 1, we have got to make it easier to cross train, and maybe loosen up a little bit on the merit system requirements for Title I and III staff, and we had to embrace large language models to be able to improve the intake and assessment process, and that is what we are doing in Alabama through the Talent Triad.

If you are a veteran that comes in with a joint service transcript, you should easily in one stop, not have to go to go see John from 2 to 4, or Susie next week from 1 to 5, but one case manager serving one customer to give them the sort of golden ticket to employment, and their next stop on their training journey.

Mr. ONDER. Thank you. Ms. Dodge, would you care to comment?

Ms. DODGE. Well, I would just agree with Nick wholeheartedly. I think that as we think about the services being provided within these one stops, we need to acknowledge that the adults that we are serving come to us with prior learning experiences. They come to us with workforce training that they have already taken, and we need to honor those skills and competencies, ensuring that they can either be reskilled into a highly needed job, or that they can enter postsecondary with academic credit on an academic pathway.

Mr. ONDER. Thank you. Thank you, Mr. Chairman, I yield back.

Chairman OWENS. Thank you. I would like to now recognize my colleague from Virginia, Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman. Dr. Moret, you mentioned the challenges of getting enough data to know whether you are successful. How does the bill address that concern?

Mr. MORET. Thank you, Representative Scott, and I appreciate your service in my home State of Virginia. One of the things that we think is a really positive feature of the bill is the WDQI grants portion, and in particular, the codification and expansion of those grants.

Those grants have been helpful to a number of states in modernizing their education, employment or data systems. One of the specific opportunities that we see is for states that want to create a more robust outcomes data, including enhanced wage record opportunities that I talked about earlier.

These grants can help give them the scarce resources they need to do that, so we think it is a really constructive part of the bill, and we also think that as more states implement that opportunity that you are going to see more energy around it, more impact, and more interest in that area across the country, really enabled by the expansion of the WDQI grants.

Mr. SCOTT. Thank you. Ms. Dodge, you mentioned sector training. One of the things we want to make sure we have is when there is an entire sector where they need training where one industry is pretty much phasing out. You identified another sector where training could be very important.

Does the bill make that identification process possible and effective?

Ms. DODGE. That is a very—that is a very important question, especially at the speed at which our economy is changing, both in Indiana and nationwide. I think what the bill stresses is that we use framework, skill-based frameworks like O*NET, Credential Engine and others to help learners understand what skills and competencies they have mastered, and what the gap is between their current role and a new industry.

Mr. SCOTT. One of the things we have identified is the transition between automobiles, combustion engines to electric cars, and in a lot of areas, even in repairs, and parts manufacturing there is going to be a transition. How would the bill affect that transition?

Ms. DODGE. Also, a great question. I think the employer, the deep employer engagement that is outlined in this bill is critical, especially in transition—industries that are in transition. At Ivy Tech we are still offering certificates aligned to the combustion engine, but we just launched with the support of numerous employers and associations in Indiana, a new electric and hybrid vehicle certificate, which prepares students for the automotive service excellence, light duty, hybrid, electric vehicle specialist certification.

As we think about these transitions, it is critically important for local, regional workforce boards to understand the employers within that region, and what skills and competencies they are looking for.

Mr. SCOTT. Thank you. Mr. Sainz, many local workforce boards have had to cap individual training accounts at \$2,000, and that has been quite a limit. Can you say something about the increase of that to \$5,000?

Mr. SAINZ. Yes, sir. The increase in the new—or the legislation that was proposed last year increased it to \$5,000, which will really allow for longer term training. I think one of the shortfalls that we have had within the system has been the emphasis on short-term training, 6-week or 8-week training, which does provide some immediate gains, but they are short gains.

The longer-term investment in—like what was just described by Ms. Dodge of the long-term training, and having the resources to be able to pay for that, as well as to pay for the support services many of our young people need to have to be able to actually obtain the training is critical.

Mr. SCOTT. Thank you. You mentioned the costs of not reconnecting opportunity youth with quality work. Can you say what some of the costs are in ignoring opportunity youth?

Mr. SAINZ. Yes. Very, very important. Our opportunity youth population does look different in comparison to the population that is connected to school and work. One of the biggest statistical deviations is that the young people have a higher reliance on public assistance, and that public assistance comes at a cost.

If they are not working, if they are not in school, they have a higher reliance of public assistance. Second area is their contributions to the tax base. If they are not working, they are not contributing to the tax base. Their likelihood of being a homeowner is very small, so not being a homeowner means the stability, as well as their contributions to the property tax base is lower, so it has some very negative effects for them not being connected.

The positive side is that the higher the income, or the higher the education, the higher the income, the higher the contributions.

Mr. SCOTT. Thank you, Mr. Chairman.

Chairman OWENS. Thank you. I now would like to recognize my colleague from North Carolina, Mr. Harris.

Mr. HARRIS. Thank you, Mr. Chairman, and thank you to all of you that are giving your testimony today. I have had the pleasure of reading your written testimonies. In just a moment, I want to focus on this idea of accountability. Mr. Moore, how does a training provider get on the list of programs that a workforce center can offer and can just any employer or company get WIOA funds for providing training.

Mr. MOORE. Well, thank you sir for that question, and there is a process under current law, and I believe The Stronger Workforce for America Act would improve that process, but it also is going to take states taking action as well, to meet the Federal Government. Part of that is making sure that you have got a strong process for identifying credentials of value.

The credential that is put out from that program, and then that is not enough. We need to work to make sure that the credential is basically the wrapper that the employer recognized skills that view that credential, that is what actually has currency in the labor market, so making sure that any eligible training provider has been in operation long enough to where you can demonstrate that—and I believe this bill takes the percentages, it increases those.

State could go even further, but there certainly currently is a patchwork. Governor Ivey in our State is working to improve our

eligible training provider list, so that when somebody completes a WIOA program, they can bank on the fact that they are going to be able to connect with an in-demand job.

Mr. HARRIS. What happens if a training provider fails to meet the criteria?

Mr. MOORE. They can be sanctioned and removed from the list, and I think that more states need to clean up their eligible training provider list. Sometimes there are hundreds, if not thousands of programs on these lists, and it is very difficult for a student, or a job seeker to be able to come through all of that, so it leads to a lot of information asymmetry, and people do not necessarily know which programs are connected with an in-demand job.

Mr. HARRIS. Okay. Thank you. Ms. Dodge, it is important for students to know ahead of time what they can expect from a program, and one reform we should consider is requiring training providers like industry and community colleges to provide transparent information about the credentials they create.

Help me. How can we make sure that these credentials line up to the labor market, and are also valuable for the learner?

Ms. DODGE. Well, that is the most important question for the learner, and the success of the learner in America. To your point, Representative Harris, learners have to understand what is their return on investment for enrolling in postsecondary training. They also have to make sure, especially adults and older youth who have other responsibilities, including parenting, or part-time work, or even full-time work in an underemployed role.

They have to understand that the postsecondary offering will meet their needs and is suitable for them. Encouraging or requiring providers on the ETPL to include program duration, the cost, including total expenses for the program, what the delivery method is, whether it is hands on, in person, or online, ensures that our WIOA dollars will be invested in programs with measurable success.

Mr. HARRIS. Excellent. Well, it is great to see how all of you have partnered in your community to ensure your graduates are well prepared to enter the job market when they leave your campus. I think we all agree that we should ensure that all of our Federal dollars are only going to programs that are going to do the same.

In just my last minute, I want to come back to Mr. Moore for just a moment because I firmly believe that the Federal Government's role in workforce development should primarily be to get out of the way. I mean by that, I believe states, employers, schools and individuals are best equipped to handle workforce preparation.

The Federal Government should simply ensure our laws, regulations and taxes all promote job growth and a strong economy. Mr. Moore, I would just ask you specifically, how do mandates from the Federal Government impact your ability to respond to the needs of your state?

Mr. MOORE. Well, I will give you a good example. In our annual performance report, the six core performance indicators measure how an average of how many people were served, and how many had a good outcome. In Alabama, if we want to increase our labor force participation rate 1 percentage point, we have got to add 41,000 non-participants to the labor force.

In our WIOA programs, we are training about 4,000, okay. In our annual report, the U.S. Department of Education and Labor tell us that we are doing a good job. Part of the Federal mandate is getting in our way. It is telling us that we are doing a good job whenever we are, you know, if we serve 9 out of 10 people well, but that is not actually aligned with the economy.

If we have got 16 target populations, and we have got close to a million people, they need to be trained. Saying that we are doing a good job by serving 9 out of 10 people, that is not lined up with reality.

Mr. HARRIS. I got you. Well, thank you all very much. Mr. Chairman, I yield back.

Chairman OWENS. Thank you. I would like to now recognize my colleague from California, Mr. Takano.

Mr. TAKANO. Thank you, Mr. Chairman. Thank you to the witnesses for being here. Mr. Sainz, your testimony highlights the economic benefits of reconnecting opportunity youth to quality work and educational opportunities. You make the case that there is a strong return on investment when we ensure that young people have resources and support.

I want to give you some time to elaborate on that.

Mr. SAINZ. Thank you. I would point the Committee to some of the great research that has been done by the Social Science Research Council Measure of America. They have extensively looked at this issue across the country and have published some direct reports on that. In each of the studies that they are able to show both the relationship to economic outputs and contributions to educational levels.

Out of that 4.3 million population I speak of, about 40 percent do not have a high school diploma. If you think about what is a young person's chances to succeed with economic mobility without a high school diploma, they are very small. Just that alone actually has a huge increase in their economic output by getting the high school diploma.

The other 60 percent are folks that have graduated with a high school diploma, but have not entered into higher education training, apprenticeship programs, and/or the workforce. Being able to move them into the community college, being able to move them into apprenticeship programs, being able to move them into the workforce with a career, not just a part-time job.

The other part of the study is that without them having this early work connection, their long-term work prospects become very, very shaky. In terms of being not laid off, you know, the first in, first out, which happens in the labor market for these young people.

All of this contributes—if we are able to reconnect them early, have them have the work experiences that are called out in this legislation, having them reconnect to education and to training programs, their overall incomes will increase, and the overall productivity both for their families, their communities and for our overall economic health increases.

Mr. TAKANO. Well, thank you for that. You mentioned also that failing to connect opportunity youth with necessary resources im-

pacts their community, both economically and socially. Can you describe those impacts, meaning the failure to connect youth?

Mr. SAINZ. Right. The failure to connect is what we actually see oftentimes on the front page of our metro section where you have young people who are not participating in the economy, and the high concentration of these young people usually in communities really causes some of our community challenges.

You have higher costs that will go in terms of them in the justice system, higher costs for them for long-term connection to public support systems, and then the high costs that they would have on the healthcare. These are all indicators that without education and without work prospects all go up.

That is where you have direct hard expenditures, as well as the social costs of lack of productivity.

Mr. TAKANO. Well, thank you. I am very proud that my district has a strong network of support for young people, including six youth opportunity centers in our region, and a Youth Commission that liaises directly with the Riverside County Board of Supervisors. As one of the most rapidly growing areas in the country, workforce development is crucial to my district's infrastructure, and engaging young people is imperative.

Mr. Sainz, how would The Stronger Workforce for America proposal increase youth participation in these career pathways, and what tangible impacts would districts like mine see?

Mr. SAINZ. You have a great district, and there is some great leadership in your district with those opportunity youth, they are part of our member network, so thank you for your leadership on this issue. There are two really fundamental changes. One is on the eligibility, and someone had mentioned about making it easier to serve young people.

Currently, as the regulations State, it is that we wait for young people to have all the eligibility documentations before we start providing any services. Oftentimes, those paperwork and those documentation, in terms of having income tax records, and even sometimes supply identification, they do not have at their ready.

Being able to actually and actually give them time to bring that documentation to the programs, but you could start the services when the young people need the services. When they come in and ask for the services, you are able to start doing the enrollment.

That is a critical piece in terms of retaining the young people in the programming. Then second, in terms of the authorization in the funding, as authorizes this beyond the fiscal 1924 levels, which to me is really a great thing because you need to be able to have the fiscal support for the programs in order to do these services.

Mr. TAKANO. Mr. Chairman, I am sorry I went over, but you are very kind to allow him to finish his response.

Chairman OWENS. Thank you so much. No problem. I would like to now recognize my colleague from Wisconsin, Mr. Grothman.

Mr. GROTHMAN. Thank you. Mr. Moret, or Dr. Moret, you know, there are so many programs out there. We have a great technical college system in Wisconsin. I encourage young people to go there all the time, and I think everybody in Wisconsin is aware we have a great technical college system, so I do not know really why we need Federal involvement.

I will say this. I know there are complaints in the past that whenever the Federal Government gets involved in anything more paperwork, that sort of thing. How could, on a Federal level, could we restructure WIOA to allow for less administrative burden, and more flexibility at the local level?

Mr. MORET. Representative Grothman, I appreciate that question, and I would say not every State has a great technical college system, so it is great that Wisconsin does have one. Candidly, I think my colleagues, in particular Mr. Moore and Ms. Dodge, might be able to give you a more thoughtful question on how to reduce the Federal sort of administrative burden on those local and regional workforce boards.

I do think, if we can empower those boards with better data about employment outcomes, it would help them to make better informed decisions, so we think that is a big opportunity, but it does not get directly at your question.

Mr. GROTHMAN. Okay. I mean my tech schools they all have for every major you can get a percentage of people who are working, how much they are making, all this stuff. You feel that there are some states that do not have that that should. Actually, every institution after high school, including 4-year colleges ought to have that information, but they do not, they do not.

Would anybody else like to take a swing at that, or go ahead, go ahead.

Mr. MORET. I was just going to say there are very few higher education institutions today that could accurately report to you the occupational outcomes of their graduates. Even if the workforce boards—most of them do not have comprehensive data on the kinds of occupations people are getting.

When you look at the sort of training aligned job outcomes, it is based on very incomplete information today.

Mr. GROTHMAN. Is that kind of inexcusable if they really cared about their students?

Mr. MORET. Well, I think what we are suggesting is there is a systemic solution that would actually make it easier to collect all that data. If you look at employers today in the United States already report, you know, every quarter, as part of the UI wage records reporting, who they employ, how much they make, and so forth.

What they do not report today, for example, is the occupation, or the title of those folks. Without that information there is no comprehensive way to understand what those employment outcomes look like, so that institutions, policymakers, training providers and others can be responsive to that real labor market demand.

Mr. GROTHMAN. Okay. Ms. Dodge, what do you feel, or what role can a technical college play in expanding competency-based education to better align with employer needs and industry standards?

Ms. DODGE. That is a wonderful question, and I would just echo your comment about having an exceptional community college system in Wisconsin. We regularly benchmark your system, your community colleges in your State. Credit for prior learning is critically important if we want to effectively serve adults.

I cannot think of any one of us who would want to sit in a classroom learning something we already know, especially if we have al-

ready mastered a skill or competency. Essentially without a systematic way of assigning credit for private learning, we are doing just that to adults. It really—when that happens, it decreases their motivation to complete their education.

It also wastes their time and money, and in some cases, employers' money who are choosing to send them back to postsecondary training. By really understanding, and taking in that credit for prior learning assessment during intake into the WIOA system, we are getting that information that can be shared throughout the training provider system.

Mr. GROTHMAN. Okay. I think today just about anybody can get a 4-year degree, but if I just—I do not want to get you in trouble here. Percentagewise, how many people go into a 4-year college today would probably be better off going to tech school, or letting their own employer train them, something other?

Or I will put it this way, what percent do you think are making a mistake matriculating a 4-year university?

Ms. DODGE. I hope my President is not watching right now. No. I actually think it really depends on the student's career goals.

Mr. GROTHMAN. No. Just want percent? I mean, you know, we know it is a mistake. When I look at my tech schools, there are people going there who have a 4-year degree and got nothing for it, right? If I go to the trade school, same thing.

You talk to people who work for a business, and they will just tell you honestly, you know, I am doing a good job here, but my degree was of no benefit to me in this job, for example. Okay. I guess we are not going to get an answer. You lucked out. We cannot give an answer? It is only a—we are only looking for a number?

Chairman OWENS. A quick one.

Mr. GROTHMAN. Can you just give me a number?

Mr. MOORE. Yes, sir. In Alabama only 24 out of 100 ninth graders have a bachelor's degree by the time they have gone through a 6-year cohort. What we are trying to do is make all learning count, blurring the lines between work and learning. That way you can get a short-term credential, and if you want to over your lifetime, bank that up toward a two-or 4-year degree.

I do not think these things have to be mutually exclusive. Somebody may earn a credential at one point in their life and then be able to use that in another way later on. You have got to have the technology to make that happen.

Chairman OWENS. Okay. I was going to say you can submit that, if we need to still, he could answer okay. Thank you so much, appreciate it. Okay. I would like to recognize my colleague from Connecticut, Mr. Courtney.

Mr. COURTNEY. Thank you, Mr. Chairman. Before I ask my question, I just again want to go back to your opening remarks which talked about the fact that actually The Stronger Workforce for America was a deal that we had agreed to bicameral, bipartisan, last December. It was in Speaker Johnson's legislation for the continuing resolution.

Within 6 hours it was blown up because the Trump transition team, led by Elon Musk, demanded that the bill be stripped and cut for provisions because he complained he did not understand what was in the legislation.

Another measure actually, which was from our committee, was the Pharmacy Benefit Manager Reform Bill, which actually would help employers, in terms of saving and having more transparency as far as pharmacy drug pricing is concerned.

Again, that hit the cutting room floor, a great loss, actually for particularly small businesses who are, you know, carrying the brunt of these, you know, back room deals with pharmacy benefit managers.

Another bipartisan, bicameral measure, which the transition team, you know, basically stripped from the bill. I represent a district similar to my colleague sitting next to me in Eastern Connecticut, which has had a hiring boom, an electric boat shipyard, 5,300 hires in 2023, 4,000 last year.

The target for this coming year is 3,000. The retention rate has actually been 86 percent, which sort of defied, you know, all the conventional wisdom that people do not want to work in manufacturing. Again, the WIOA Act was an instrumental part of that great success.

The Eastern Connecticut Workforce Investment Board Manufacturing Pipeline Initiative, which has an accelerated course of 10 weeks for welders, 8 weeks for outside machinists and electricians. Again, that gets people a badge to go into the yard. Today they are part of the process of building the Virginia class and Columbia class submarines.

One aspect that also WIOA enabled was the Youth Manufacturing Pipeline Initiative, which reached out to not the career and technical schools because frankly they were, you know, already hitting all cylinders in terms of supplying metal trades workers, but they were actually going into comprehensive high schools.

There were at least a dozen in Southeastern Connecticut using WIOA funding that again has created new curriculums for kids who were again, not able to get into career and technical schools which have waiting lists at this point.

Mr. Sainz, maybe you could talk about again, you know how those, you know, WIOA can really supplement, particularly the comprehensive high schools, in terms of giving kids an opportunity to learn a trade.

Mr. SAINZ. Yes. WIOA serves both in school, as well as out of school young people as you know. On the in-school provisions, it really does make a difference when you are actually having the strong partnerships with the schools with these industries.

Many of our kids only know what they know. They know what their parents have done, their neighbors, and maybe, you know, family and friends. Oftentimes they are not exposed to great opportunities that might not be in their immediate family, or immediate neighborhood.

One of the aspects that allows with WIOA is to do this career exploration, is being able to introduce them to things and new opportunities. If you are coming from a blue-collar family that does not know about the technology and the new opportunities that are happening, WIOA allows you to expose them.

The work experience part is also very, very critical because it gives a funding to actually have the young people experience the opportunity to walk into an industry they might not otherwise

walk into. Oftentimes, when we think about youth jobs, we think about the fast food and retail, but we do not think about these other opportunities to spark that innovation, to spark that curiosity for them to go into these fields.

Mr. COURTNEY. Thank you. I mean one high school, which is up in the Northeast corner of Connecticut, Tourtellotte High School, again, a comprehensive high school. Basically, about 60 percent of the student body goes to higher education, so that is a fairly sizable group that does not go into higher education.

Again, using YMPI, they basically expanded welding labs for the students to again, get a skill. School attendance went up when it was added to the curriculum, and again, these kids when they are getting their diploma are also getting a certificate, which makes them job ready to walk into again, really good paying jobs in the shipyards.

Susan Smith, who was the Superintendent, got to give her a shoutout because she really sort of put all the pieces together to really basically transform kids' lives, and actually get school attendance, you know, up to where it really, you know, we all want it to be. I yield back, Mr. Chairman.

Chairman OWENS. Thank you. Thank you again. I would like to now recognize the Full Committee Chairman, Mr. Walberg of Michigan.

Mr. WALBERG. Mr. Chair, thank you, and thank you to the panel too, and thank you for holding this hearing. I am excited about the subject and the opportunity that could come. Dr. Moret, one thing we hear consistently about employers in their response to WIOA is that they sometimes do not see the value in participating in it.

You suggested that a fundamental barrier to greater employment engagement in WIOA is a lack of actionable data. Why do you think more employers would participate in WIOA if there was greater transparency about the results?

Mr. MORET. Thank you, Mr. Chairman. It is a great question. When I think about the past work that I have done at the State level and working with regional and local groups in Louisiana and Virginia, one of the challenges is that even when employer engagement is done very well, you are really only engaging a small percentage of the total employment base.

In Virginia, for example, there are more than 200,000 employer establishments in the State, so you are never going to touch all of them. The best model is one that combines both targeted engagement with real employers to sort of have a better understanding of their qualitative needs, but also one that gives you a comprehensive picture quantitatively of what is going on in the labor market, and what those needs are.

From my perspective, employer engagement in the workforce system is not just about whether employers are actively engaging with the workforce system, but in particular, whether they are seeing the participants that get training funded through WIOA, as attractive people to hire, right, because that is the ultimate outcome that we really want is for people to get good jobs, and have good economic mobility.

We think the kinds of enhanced wage record opportunities that we identified in my written testimony that I covered earlier briefly

in my opening remarks would go a long way to helping strengthening those connections with employers.

Mr. WALBERG. Thank you.

Mr. MORET. Thank you.

Mr. WALBERG. Ms. Dodge, you mentioned in your written testimony that the statewide advisory boards, and industry leaders in your State recently created short-term workforce aligned certificate training. Can you give me some examples of this, and as a followup to that, how can short-term certificates help a worker with their long-term career goals?

Ms. DODGE. Thank you for that important question, Chairman Walberg. Ivy Tech honed our employer-led playbook in 2021 when we launched a statewide industry 4.0 employer advisory board, one of the first in the Nation.

Out of that work and guided by the voice of Indiana employers like Endress Hauser, Caterpillar, Lippert, Amatrol, Berry Global and others, as well as national associations like the American Technical Education Association. Ivy Tech was the first community college in the Nation to launch a smart manufacturing digital integration degree.

That degree includes certifications that are aligned to the skills and competencies that employers who are highly automated are seeking. This degree was critical in Indiana's bid to recruit highly automated employers like SK Hynix and Starplus Energy to our State.

Because we have that playbook, we have reused it in other high demand critical areas like biopharmaceutical manufacturing, where those conversations are being led by our states, life sciences, talent association by crossroads, as well as certificates in semiconductor fabrication and certificates in data center technician, and data center engineering operations led by the data centers that are locating in Indiana.

This is really critical work because we know that a certificate is often aligned to an entry level role at one of these industries. The goal that we have at Ivy Tech is to help a student make that transition into these industries, into a good technician role, and then as their career goals evolve over time, allow them—work with that employer to send them back to Ivy Tech Community College, leveraging their employer tuition benefit hopefully, to upskill that technician into a more senior level role. Thank you.

Mr. WALBERG. Very much like Mr. Moore, what you talked about that expanding opportunity, the base of experience as well that you build upon. Let me ask you this. A Stronger Workforce for America Act expands the number of states allowed to better align its local areas with the state's economic development goals.

How can such realignment improve the workforce system, Mr. Moore.

Mr. MOORE. Thank you, Mr. Chairman. Commuting patterns, not respect political boundaries, and since 1998 when WIOA was enacted, states have been unable to switch up the alignment of their local workforce development areas, including not being able to go to a single State workforce area. There are about a dozen states that were able to do that.

In 1998, including Mr. Burgess's home State, which has done a great job of making that alignment happen with not only human service, but workforce and education. What this would do, The Stronger Workforce for America Act would allow a State and a legislature to enact a single State area, and then to be held accountable if their performance falls within 5 years, they will have to go back and receive.

Mr. WALBERG. We will push for that. My time is expired. I yield back.

Chairman OWENS. Thank you. I would like to now recognize my colleague from Georgia, Ms. McBath.

Mrs. MCBATH. Thank you, Mr. Chair. Thank you to each and every one of you, our witnesses this morning. Thank you to Ranking Member Adams but thank you so much for taking the time to be with us today. While I am excited at the prospect of reauthorizing WIOA, and updating our workforce system, we have frankly been here before.

This bill should have been signed into law last December, and there is nothing efficient about needlessly delaying bipartisan legislation that Chairwoman Foxx and Ranking Member Scott, and Committees from both chambers has spent years negotiating, long before I even came to Congress, only to force us to try again next Congress.

Americans, they are so frustrated, and rightfully so. They are frustrated by a government that does not put their needs first, and that has become more expensive, more difficult, and more time consuming to simply get the skills necessary to get a good paying job, and provide a decent life for themselves, and for their families.

For too long this country has limited the opportunities available to everyday Americans by failing to embrace the full scope of proven education and training programs. A 4-year degree remains the surest path to economic success, but it is not the only way for Americans to get there.

We have got to do more to put effort and time and energy into uplifting community colleges, on the job training programs, and registered apprenticeship programs. The reality is that not everyone can afford to put their entire life on hold, take out a loan and go back to school for 4 years to land a decent job, or make a change in their career.

This simply is not a luxury that many of our families can afford to take for their children or for themselves. Workers and employers in this country, they need a workforce system that is easy for them to navigate, works for them, and meets them exactly where they are.

This is exactly what this bill would do. I am so very proud to have my bill to authorize The Strengthening Community Colleges Training Grant included as Section 179 of this reauthorization for 200 community colleges, and over 35 states rely on this funding to build capacity for new students and set up sector partnerships with employers in their own area.

The bill also includes large portions of the Adult Education Works Act, another bill that I have led with Representatives Mrvan and Senators Jack Reed and Todd Young on the Senate side. As our world grows and it changes as rapidly as it is, it is

never too late for people to learn. We must do more to support Americans who are making an active effort to better themselves in adulthood.

A report from the National Skills Coalition found that one-third of workers do not have the foundational digital skills necessary for today's job market. Mr. Sainz, can you use what time there is left to discuss the importance of digital literacy skills, and the need to update the Adult Education and Family Literacy Act for Title II of WIOA?

Mr. SAINZ. Well, thank you for all the great work that you have done on these issues. As you know, digital literacy is critical to all employers. Our former workforce development chair said—he runs a very large import company, and about 15 years ago the biggest guy in the warehouse was the foreman.

He says now the person that we need as the lead in our warehouse has to speak at least two different languages, has to have the digital skills, has to be able to have the capacity to think, and not just to act. You know, that is really just critical, how our economy has changed.

We need to be able to have our young people, and all of our workers to have the digital literacy. The connection to Adult Ed, the community college and the workforce is a part of the ecosystem. They are not separate entities. They have to work together.

In Los Angeles, as a great example, there are navigators that go in between the workforce system, the Adult Ed and the community colleges to land people in the right places to get the skills they need, to get these very important jobs in the growing technology sector.

Mrs. MCBATH. Well, thank you very much, and I want to be able to continue to really help support our workers, support our students in ways that my son, Jordan, never got a chance to. Thank you, and I yield back my time.

Chairman OWENS. Thank you so much. I would like to now recognize my colleague from California, Mr. Kiley.

Mr. KILEY. Thank you, Mr. Chair. The Workforce Innovation and Opportunity Act is good legislation. It is a good program because it empowers local communities for a very important public purpose, which is to get people into the workforce.

Folks who are unemployed, underemployed, not sufficiently educated or trained. It gives them the tools to join the workforce, which is good across the board. No. 1, it is good for these individuals who gain the ability to support themselves and their families.

It is good for the employers, who are able oftentimes to fill critical workforce needs. It is good for the taxpayer because we get people off of public assistance and actually turn them into taxpayers. It is good for the economy as a whole. It is good for the character and vitality of our country, when more of our fellow citizens are actively engaged in productive work.

The question I wanted to ask today, and we have representatives from various states, so just whoever would like to answer on this, is how we can better align these programs with our public assistance programs because during the COVID era we had this phenomenon where unemployment insurance kind of got out of control,

and people were being paid more to not work, than to work, even once we moved past all of these business closures and restrictions.

Employers just could not compete with the wages being offered by the unemployment programs. Then even other programs that incorporate work requirements, or other such things, there is clearly an alignment here with the goals of WIOA.

I know Utah has created a model that has been lauded in that respect, but for representatives here of the other states, do you want to talk about how those objectives can be met?

Mr. MOORE. Yes, sir. We are definitely looking to emulate the Utah model, and it is clear that when you deliver workforce training services and human services concurrently, you are going to have a better ability for somebody to not only enter, but to persist in the workforce.

You have got to do that in a way that helps limit the information asymmetry, and what I like to call unrestricted customer choice. If somebody comes in the one stop center, just like it is a two-generation problem that if I am a young person, and I do not know what I want to be because I have not seen all the opportunities, sometimes an adult walks in with those mental blockers on as well.

It is our job, and the public workforce system using data to inform them what are the benefit cliffs I am going to face as I taper off of public assistance. Then how can the workforce system by braiding and blending adult education WIOA Title I through an integrated education training, how can I get that person employed today, and then have them comfortable understanding how they are going to eliminate their benefit cliffs and persist in the workforce?

Mr. KILEY. Thank you. The second question relates to the rapid advancements we are seeing in the areas of artificial intelligence and robotics, which have been picking up steam lately in particular.

To the extent that Americans are following the latest developments, I think people see this as exciting, as potentially transformational as holding the promise of improving the quality of life in dramatic ways for people across our country, and across the world.

People also have questions about what does this mean for my career? What economic dislocations are likely to result? I think that the existing infrastructure we have around the Workforce Innovation and Opportunity Act, it is clearly not adequate to that challenge to the scale of that challenge, but perhaps there are some lessons that we can learn, or pieces that can be, you know, scaled up to try to start to deal with it.

Do we have any thoughts in that respect?

Ms. DODGE. Thank you for that question. I think the future of work is all about adaptability, as you described. Our economies are changing fast, and employers must help us as the education and training providers, understand what skills and competencies they are looking for in automation, AI, to ensure that we can backward design programs from those needs.

We must invest in programs that teach digital literacy, AI basics, data analytics and coding, to ensure that workers understand and can work alongside automation. Finally, we must partner with em-

employers to design on the job training specific to these skills and competencies, so employees can learn these AI tools and automation software relevant to their industry.

Mr. KILEY. Thank you very much. I yield back.

Chairman OWENS. Thank you. I would like to now recognize my colleague from Oregon, Ms. Bonamici.

Ms. BONAMICI. Thank you very much Mr. Chairman and thank you to the witnesses for your expertise today. I supported A Stronger Workforce for America Act last year and was disappointed it was removed from the end of the year package at the 11th hour, and I know we have been hearing about that from my colleagues.

I sincerely hope we can bring this bipartisan, bicameral bill back to the floor. I was here, in fact the first bill signing I went to as a Member of Congress was WIOA in 2014. I remember sitting in this very room looking at a big chart that looked like spiderwebs about, you know, how we needed to make changes to streamline the program.

It is more than overdue for an update, with more than a decade that passed. I want to mention that in The Stronger Workforce for America Act, both my Partners, bipartisan Partners Act and Builds Act, Partners for Industry, Partnerships with Small and Medium Sized Businesses, so they can help with workforce development programs.

The Builds Act, which is workforce development and infrastructure, bipartisan, as well as my Access Act, which I have with Mr. Thompson, thank you for your co-sponsorship of that, to expand college and career counseling for more information about workforce opportunities.

I truly hope we can get that done. I see our role here on the Education Committee as having a path for everyone to a good future, and with the recognition that not everyone is on the same path. I just want to mention that a couple weeks ago I got to visit Benson Polytechnic High School in Portland, Oregon. Amazing.

In addition to their core classes, they have programs in various industries, automotive, building construction, health occupations, digital media, electrician skills, and more. They repair cars, they run their own radio show, they design and build tiny homes. Integrated with the core classes, you can see how engaged students are, and how they are gaining not only technical skills, but all the skills of collaboration and responsibility.

In fact, my State of Oregon passed by ballot initiative, a career and technical education ballot measure that has actually had some pretty incredible results. We have increased graduation rates by more than 10 percent for vulnerable, low-income and Hispanic and Latino students.

Importantly, reduced absenteeism. We know these programs work, so moving on to where we are today. Mr. Sainz, you know, the bipartisan Stronger Workforce for America Act authorizing increased funding level for the WIOA Youth Program, which provides those vital educational support and career development skills and opportunities.

How does the Federal Government's investment in the WIOA Youth Program, as well as other major programs, how do they help the economy, and how would draconian across the board cuts at the

Departments of Labor and Education affect youth in Oregon and across the country?

Mr. SAINZ. It is really critical that the Federal Government, as well as the State and local government invest in our young people. As you mentioned, not all young people are going off to college. Not all young people have those resources. It is really critical that there is a mechanism, and the workforce boards, and the workforce systems at the local level, and at the State levels, are that backdrop.

They are the ones that actually are saving lives. I always say this work is not about just putting people to work, it is about changing lives, and in many cases, it is saving lives. Being able to provide those resources to be able to connect the young people back to school, back to work is critical.

Ms. BONAMICI. Also important for the economy. We hear a lot about the skills gap, and I will address that too. Mr. Sainz again, so could you talk a little bit about opportunity youth, and what it means to be an opportunity youth, and how your member organizations serve the opportunity youth? How can the workforce system do a better job at reconnecting opportunity youth with quality work and educational opportunities, and will this bill, which I hope I know it has such bipartisan support, we will get it through.

Mr. SAINZ. Thank you. As I mentioned, it is 4.3 million young adults who are not at school and not at work, ages 16 to 24, throughout this country. They are in all states, rural as well as in non-rural, and urban environments. They are just not in the rural states, or in urban states, but they are concentrated in certain communities.

Because of that concentration, their access to opportunities is what becomes limited. When you look at these young people, it is not that they do not have the potential, or the capacity to succeed, they just do not have the access to the opportunity to succeed, and that is where we make a difference.

Statistically, as I have mentioned previously, it is that they do have different characteristics, and many more of them have a physical or mental health disability, about 25 percent. About 30 percent of them are already parents, so the need to have and provide additional resources is really critical.

Ms. BONAMICI. It gives them hope as well. I just want to—I know I am out of time, just mention also the importance of apprenticeships. I have had roundtable conversations with people who said it changed their life, but not just their life, but the life of their family to have that path. Thank you, Mr. Chairman.

Chairman OWENS. Thank you. Now, I would like to recognize my colleague from Pennsylvania, Mr. Thompson.

Mr. THOMPSON. Well, thank you, Chairman. Thanks to all of our witnesses who are joining us today. I think we can all agree WIOA needs to be modernized to better meet the needs of today's workforce.

I was proud of the last reauthorization that we did, but we do those periodically because it is important to keep them fresh and focused on, you know, the current State of where we are at, especially when it comes to you know, the need for opportunity, and the need for qualified and trained employees.

As the co-chair of the bipartisan Career and Technical Education Caucus, one of my priorities for this reauthorization is better coordination between Perkins and WIOA. During the last Perkins reauthorization, the primary Federal investment, the CTE, this Committee focused heavily on ensuring that this law and WIOA were thoughtfully aligned.

As a result, WIOA and Perkins have much in common, including shared goals, such as preparing students and workers for growing in demand and high skilled occupations, emphasizing the importance of work based learning, and meaningful employer engagement, and making use of aligned definition and terminology to more closely connect State CTE and workforce development systems.

One of the major features of what eventually became Perkins V, were new planning elements for State CTE Perkins plans. These included new requirements that brought components of states WIOA plans were being incorporated within the Perkins Plan to better ensure alignment.

With Perkins being reauthorized 4 years after the passage of WIOA, ending WIOA reauthorization must include intentional alignments with Perkins V to build upon the success of that legislation.

One way to achieve this would be to ensure State WIOA plans include states wider strategic vision for CTE, as outlined in Perkins. This question really is for all of our witnesses. Can you each share your perspective on why this would be a helpful policy change in future WIOA legislation?

Mr. MOORE. Well, in Alabama we were proud to add Perkins CTE to our combined plan in 2020. We did so again in 2024 and aligned the stakeholder engagement process. I think if we could align the planned year link to be 4 years for both WIOA and Perkins, that would help.

Then also to make a triad, or a through line of three indicators of performance, particularly for Perkins, it would align Perkins and WIOA, and that would be work-based learning, secondary, postsecondary credentials of value, and dual and concurrent enrollment, so that we are creating seamless career pathways for particularly young people and adults who are in adult education and CTE to have seamless career pathways.

Also, I would say that we are using the national career cluster framework as the basis for our sectoral partnerships to ensure that we have got a strong industry led sectoral partnership that is codified in State law that then guides the development of our regional and statewide in demand jobs.

Mr. THOMPSON. Ms. Dodge.

Ms. DODGE. What I would add, in Indiana employers are very interested in the development of their workforce pipeline starting with students in middle school, or even earlier, with career awareness activities, plant tours, from being guest speakers in classrooms, and that dovetails nicely into CTE pathways that then they can enroll in, in high school.

Those are all backward designed from industry using our community college credentials, so that students in Indiana, high school

students in Indiana cannot only graduate with their high school diploma, but also a college credential aligned to the workforce.

Mr. THOMPSON. Very good.

Mr. MORET. Thank you, Representative Thompson. I would just add I think the focus on work-based learning is a really powerful focus, and I really applaud you for that. The aligned terminology I think also is very positive. I think also one of the challenges that we face today is that for WIOA participants, for the vast majority of them in the U.S., we actually do not know what their occupational outcomes are today.

Being able to enhance wage records to make that information available will help workforce boards, training providers, individuals and others to be more responsive to what is actually changing in the labor market, which would be critical obviously for CTE as well. Thank you.

Mr. THOMPSON. Yes, Mr. Sainz.

Mr. SAINZ. I would just mention in California the Governor is currently going through a master plan for career and education training, with the intent of having the alignment between the Titles I, II, V, as we go down that list, as well as with Perkins.

Mr. THOMPSON. Well, I will just say because I am out of time, but I certainly would welcome any recommendations for specific policy changes that we can incorporate into WIOA reauthorization, the better end rate CTE and workforce development systems, more generally to improve cross sector collaboration. I am looking forward to your feedback in the future. Thank you, Chairman.

Chairman OWENS. Thank you. I would like to recognize my colleague from California, Mr. DeSaulnier.

Mr. DESAULNIER. Thank you, Mr. Chairman. Thanks to all the witnesses. Mr. Sainz, nice to see you. I want to first talk a little bit well, about vulnerable populations that historically have been challenging to get in the workforce, but we have been successful at with bipartisan efforts.

Specifically, my predecessor in this seat, Mr. Miller up here, he used to Chair this Committee when I was a County Supervisor, and I am a former Juvenile Probation Officer, so this is a passion to me. We did a number of programs with the Presiding Judge of our judicial bench, who was Reagan's administrator here in D.C. for juvenile justice.

We know these programs work. I was an advocate for a new juvenile hall. The Presiding Judge, a Reagan appointee, kept telling me it is not big enough. We built it. A few years ago, I went back and did a tour, and it is only 30 percent full. When I asked the probation chiefs, I said why is it so empty?

He said because all those programs worked. We got them into academies, academies we started when I was in the legislature with the Governor Schwarzenegger. These kids in the 2,000-student high school, a couple of them, know that 25 to 50 kids are getting apprenticeship standards because of deals we worked out with the unions, and the nonaffiliated can participate in this as well.

With companies like Chevron, because there is a large refinery there. All that is to say the cost effectiveness, and the bipartisan efforts on these challenges for years, could you speak to that? You

have a lot of experience in this. This is not about ideology. This is about performance.

When we come together and work on these things analytically, in this instance, at risk kids, those kids go out and get over \$100,000 a year being a welder and an electrician, whatever in industrial places in the San Francisco Bay Area.

They are not in that juvenile hall, and they are not in the criminal justice system, and they are not—they are making \$100,000 a year more, and contributing to society, raising a family. That strikes me as very American and non-ideological.

Mr. SAINZ. Thank you, Congressman. It is great to see you, and for your long-time leadership on this issue. In California, 23 years ago, 24 years ago, there was a bill passed by your former colleagues, Mr. Cardenas and Mr. Schiff.

The Crime Prevention Act, doing a Juvenile Justice Crime Prevention Act of California, provided over 100 million dollars specifically for juvenile justice involved kids. When I started in the probation department myself, we had—juvenile hall had over 3,000 individuals, and now there are less than 400 that are concentrated in LA County.

That huge reduction was a direct result of direct investments, not just by Workforce Investment Act dollars, but by education dollars, by support services, but it was also by local leadership that said that we cannot just lock people up. The cost to lock an individual and a juvenile up is well over \$150,000 per year.

That is more than the investment that we make on a per student education, and in workforce.

Mr. DESAULNIER. That is why the U.S. Supreme Court directed us when I was Chair of the Budget Subcommittee on Corrections, to take 25 percent of our adult population out of the prisons because the living circumstances were so ridiculous. Can we talk about another vulnerable population, the disabled population, another place where we have had enormous bipartisan success.

Since President Eisenhower started this, President Reagan signed authorization, Gerald Ford signed and was very supportive of the IDEA Program. Again, there is a population where we gave them a public education and have been able to put them in jobs that are appropriate for them that everybody benefits from. Could you speak to that, the importance of a workforce development all along the line?

Mr. SAINZ. Correct. One of the populations that are hugely vulnerable to the economic shifts is the disabled community. For the opportunity youth population, it is upwards between 25 to 40 percent of that population have a disability, both a physical disability, and/or a mental health disability that is the hidden disability, so it is an education disability, and it might be as I mentioned, a mental health disability.

Being able to have the programs that are addressing their particular needs really calls for that integration of resources. One of the partners in the workforce system is the Department of Rehabilitation, and by connecting the Department of Rehabilitation with the WIOA dollars, it really does make a significant difference.

There is an organization in Northern California called Pride Industries, so it is actually throughout the Southwest.

Mr. DESAULNIER. I know it well.

Mr. SAINZ. Yes, so Pride Industries is a fantastic organization that works specifically with this population to be able to provide them with a career and living wage.

Mr. DESAULNIER. Thank you.

Chairman OWENS. Thank you. Now I would like to recognize the former Chair of the Full Committee, Dr. Foxx.

Mrs. FOXX. Thank you, Mr. Burgess. Ms. Dodge, in your testimony you highlighted the provision of the bipartisan, A Stronger Workforce for America Act that strengthens workforce education programs at community colleges that align with in demand jobs. What makes community colleges the most appropriate place for industry partnerships and educating workers for in demand jobs?

Ms. DODGE. Thank you for that important question and thank you for your leadership on this Committee. Community colleges, our mission is really to—it is in our name, to serve our communities. At Ivy Tech, over 90 percent of our graduates stay in their local communities and stay in the State of Indiana.

We are a critical economic development driver for the State of Indiana, as the state's community college. We also engage industry in meaningful and deep ways, ensuring that we understand the skills gaps that they are facing in hard to fill entry level roles, and design both non-credit, and academic programs that meet those goals.

Mrs. FOXX. As a followup, in your testimony you say that "Indiana will need to upskill, or reskill, 82,000 learners annually over the next 10 years," to fill jobs in growing sectors. How would the division of funds—diversion of funds to places like individual training accounts, and greater flexibility of funds assist workforce development organizations like community colleges?

Ms. DODGE. That is a wonderful question. I am excited about provisions in the bill that provide flexibility in terms of how training funds can be used. In Indiana, we know that there is this tsunami of need related to upskilling and reskilling. We also know that employers are in the best position to describe the skills gap and enable us to create relevant and on demand training programs to be funded with WIOA for that purpose.

Mrs. FOXX. Thank you. Mr. Moore, under the current law there are 75,000 eligible worker education programs, but performance data is not available for most of these programs. A Stronger Workforce For America Act improves performance indicators for worker education programs like worker retention.

Mr. Moore, how would these changes create a more focused system of accountability for WIOA dollars, and how will improvements in data collection and transparency impact workforce development initiatives in the state?

Mr. MOORE. Thank you, Dr. Foxx. Your leadership has been crucial on WIOA, so thank you. It is important that we recognize that employers are in need of thousands of open jobs that go unfilled in Alabama and nationally. WIOA truly does need to be about employment first, but then also following up, providing the training and education somebody needs to progress through a career pathway.

By aligning the performance indicators with the needs of our economy, and the jobs that are actually in demand, that could give

us insights about how we braid and blend other funding mechanisms like Elementary and Secondary Education Act, and Perkins CTE, so that we can create the full complement of appropriate funding mechanisms.

Making WIOA employment first really drives the focus of employers and training providers on labor market alignment.

Mrs. FOXX. Thank you. Dr. Moret, how might performance accountability that is improvements to data collection and quality, improve employer driven worker education models, and when workforce development programs are employer driven, what benefit do workers experience?

Mr. MORET. Thank you, Dr. Foxx. First, I would say the more that the workforce programs can be responsive to real labor markets demand and employers, particularly for high demand, higher wage jobs. Really both individual participants and employers will win. You will have more of those critical jobs being filled, and more people getting jobs with excellent wages.

One of the challenges right now in enabling that to happen is that everyone involved does not have really the information that they need to be able to make well informed decisions. That includes training providers, it includes individual participants, employers, policymakers and workforce boards.

That is really because we do not currently track occupational outcomes of participants, and without that kind of information, particularly without understanding both the outcomes from an occupational perspective, but also the primary work location, it is very difficult to be able to understand what those supply demand gaps are, and how to be responsive to them.

Mrs. FOXX. Thank you all very much. Mr. Chairman, I yield back.

Chairman OWENS. Okay. Thank you. I would now like to recognize my colleague from Guam, Moylan.

Mr. MOYLAN. Thank you, Mr. Chairman, Ranking Member. I would like to thank the Committee for hosting this important hearing today about Strengthening our Nation's Workforce. In my district, the military buildup is bringing new industries and careers for the people of Guam.

It is critical that our workforce has the tools needed to fill these positions. Robust jobs, training models, and education assistance, are not only important for Guam's economy, infrastructure and healthcare assistance, but the United States national security as well. We must work together to modernize the Workforce Innovation and Opportunity Act, WIOA, to reflect the needs of today's job markets.

We will prepare the American workforce to become more competitive, putting Americans on the path to success. It will also deepen the connection employers have with the workforce system, and achieve better outcomes for our workers, businesses, and American taxpayer.

A strong workforce is the backbone of a strong nation. Mr. Moret, in your testimony you discussed the need for modernizing data systems and including more data points to close gaps in our program assessments.

In May of last year, the GAO released a report that found statistical products often contained data gaps for the U.S. territories. Can you please elaborate on the difficulties for accurate data collection in certain areas like the territories, which often suffered greater gaps than more populous areas?

Mr. MORET. Thank you, Representative Moylan. I appreciate the question. At Strada, it may help to understand that our primary focus has been on the 50 states and D.C., so we have not done really in depth analysis of the territories. I would say that my understanding is that Guam does not participate in the U.S. unemployment assurance system that the states do, and therefore, some of the recommendations that I made earlier are not immediately applicable to Guam.

What I would offer is two thoughts. One is my understanding is Guam actually can participate in the WDQI grants that I talked about earlier, which could help to strengthen the data infrastructure there to help inform the kind of decisions that need to be made by everyone involved.

Second, Representative Moylan, we would be happy to followup with your office, and offer to reach out to build a relationship with the leaders in your State and your territory, excuse me.

Mr. MOYLAN. Thank you, that is excellent, and we will do that. Also, another question for you. Your testimony also mentions the need to expand employer driven models to meet real workforce needs. Can you please speak further to how the models you helped develop in Louisiana and Virginia, directly improve economic mobility?

What are you seeing in terms of long-term sustainability for these models?

Mr. MORET. Thank you very much, Representative Moylan. Probably the two main programs I think you have in mind are the LED Fast Start Program and the Virginia Talent Accelerator Program. What those programs do is particularly relevant for rural regions, and smaller metro areas where workforce availability concerns are most acute.

One of the big shifts that has happened in America over the last 20 years is that talent considerations have really become the dominant drivers of corporate site selection decisions. Those programs are really created and have been highly effective at helping provide a comprehensive, customized, fast, high-quality solutions, both to recruit employees, and to fully train those employees in a job specific way.

Collectively, they have helped create tens of thousands of good jobs, collectively between those two states. Those are sustainable programs, the way they are structured now. They are largely modeled after a program in Georgia called Quick Start that has been around for quite some time, decades.

I think in terms of mobility, the other real opportunity to that states have is to better understand what their high demand, high wage jobs are that are going unfilled, and how they can better meet those talent needs.

The data improvements that I have talked about earlier, including enhanced wage records supported by the WDQI grants would help that greatly, as would state's investing in some form of a dedi-

cated team at the State level to really produce insights based on that data that can be utilized by everyone in the system.

Mr. MOYLAN. Thank you very much. Mr. Moore, just a real quick question for you. I see that the State can set money aside to create a critical industry skilled fund. The money for A Stronger Workforce for America Act must be matched with other funds. Can you explain the purpose of the critical industrial skills fund, and how that can improve the workforce system?

Mr. MOORE. Thank you, sir. This will allow Alabama and other states to make sure that we are not doing random acts of workforce development, and that there is skin in the game for employers and State, and the Federal Government. What I mean by that is many times we design a program; we put it out into the wild and we hope that individuals and employers find value in that.

With a critical industry and sectoral partnership fund we can lead with the demand, identify the number of jobs that are needed, the labor markets in that area, and then create a customized and bespoke program that is funded with this braided set of funding.

Mr. MOYLAN. I appreciate that and have run out of time. Thank you, panel. Thank you, Mr. Chairman.

Chairman OWENS. Thank you. I would like to now recognize my colleague from Pennsylvania, Ms. Lee.

Ms. LEE. Thank you, Mr. Chair. The Opportunity Youth Program and Young Adult Reentry Partnership are a lifeline to thousands of young people across the country. It is critical that we support and expand these programs as we begin the process of reauthorizing the Workforce Innovation and Opportunity Act through this Congress.

In my district, 3 percent of all youth, ages 16 to 19 are identified opportunity youth, meaning they are not in school. They are not employed. These young people are at higher risk for persistent unemployment and low income into adulthood. They experience disproportionate mental and physical health challenges and are more likely to encounter the justice system.

Thanks to WIOA's Opportunity Youth Funding, programs like Pittsburgh's Partner for Work help to set these young people up for a brighter future. Partner for Work serves around 770 WIOA youth participants annually by assisting them with job training, career services, and individualized employment counseling.

As a result, nearly 70 percent of the opportunity youth that Partner for Work serves enter postsecondary education or employment after leaving the program. The Opportunity Youth Program is often described as a school. It is a prison pipeline disrupter.

School to prison pipeline systematically funnels kids into the juvenile justice system through zero tolerance discipline policies, even for minor violations of school rules, overuse of suspensions and expulsions, excessive school policing and arresting students in school.

Oftentimes opportunity youth become out of school and unemployed because they have fallen into this pipeline. The opportunity youth gives them an opportunity to get reconnected with work and school programs before they wind up in the criminal legal system.

Mr. Sainz, how does the opportunity youth program disrupt the school to prison pipeline?

Mr. SAINZ. Thank you. Pittsburgh has one of the greatest programs around the country, and very strong, strong community leadership at the local level. How it disrupts really on three areas. No. 1, it provides them the support they need to stay in school.

The chronic absenteeism is one of the greatest indicators of someone who is going to be an opportunity youth out of school. Second, it provides the work opportunities, and the subsidized support for them to actually have work opportunities is the best thing that a young person can have.

Without WIOA, oftentimes they will not have that opportunity to do that. Third, it provides hope. I think what we wanted to see for our young people is to have a hope for their future. Many times, the young people that are in the juvenile justice system, or in the foster care system, or in the homeless care system, they lack the hope of seeing themselves in the future.

That is what WIOA does to restore, is that hope for the young person that they can have a decent living. They can make or have economic mobility. They could see themselves in a different position from where they started.

Ms. LEE. Thank you. I do not want to limit us here. I know that is just one program that we are particularly proud of in Pittsburgh, but are there any other programs through WIOA that you think we should invest in to continue to disrupt the school to prison pipeline?

Mr. SAINZ. The REO Program, which you know, formerly authorized through ASWA, 20 percent of the dollars that has come in to the youth, for youth specifically, and then to me that is really critical because it is identifying the dollars specifically for the young people that have gone into the criminal justice system.

The youth apprenticeship, which is something new. 65 million dollars nationally is not a lot of resources to be blunt, on a national basis. I think it sets the precedent for youth apprenticeship that young people could earn and learn. It means that they are not taking out student loans.

They are not having to compete in a 4-year degree for their future, but they could actually be hired by the employer, they are working, and they are learning at the same time. I think establishing this program under ASWA gives a huge foundation for growth, and for apprenticeships as a model.

Ms. LEE. Thank you. We know all these programs, they are important, and as you say, still too many young people are still falling through the cracks, and they do wind up in the criminal justice system. When they do, we must meet them with active and impactful reentry employment programs.

When Pittsburgh's Partner for Work obtained a temporary grant to provide reentry employment services to citizens returning from incarceration, 67 percent of the returning citizens they served obtained employment within 6 months of leaving that program. As you mentioned in your testimony, A Stronger Workforce for America Act would codify these reentry grants, and 20 percent of the funding would be dedicated to serving youth transitioning out of the justice system.

Codifying effective employment reentry programs like Partner for Work will allow them to continue to expand these vital programs.

I just want to end with saying black and brown and low-income and disabled students are disproportionately pushed into this pipeline. There is no single one opportunity for justice impacted youth, but this is a start.

We have to be sure to reauthorize WIOA this Congress. Thank you, and I yield back.

Chairman OWENS. Thank you. I would like to recognize my colleague from Indiana, Mr. Messmer.

Mr. MESSMER. Thank you, Chairman Owens, for allowing me to wave in, even though I do not sit on this Subcommittee. I am honored to be here today for this hearing covering WIOA. I am also honored to have a fellow Hosier, Molly Dodge, from Ivy Tech as a witness on this panel.

Ivy Tech is Indiana's largest, postsecondary institution, and the largest singularly accredited state-wide community college system in America. They do a lot of great work in Indiana, and in my district, and it is great to have their achievements highlighted in front of this Committee.

Ms. Dodge, one of the goals of A Stronger Workforce for America Act is to build better connections between the workforce system and employers. In your written statement you talked about Ivy Tech's 2-year degree program.

You mentioned that preliminary research suggests that students sponsored by an employer, like this program does, are more likely to complete a degree certificate, or degree program, than other Ivy Tech students who aren't enrolled in the program. Why is this direct connection to an employer so important?

Ms. DODGE. Thank you, Representative Messmer, and thank you for your support as a State Congressman, and also here in D.C. We are very proud of our 2-year degree program at Ivy Tech Community College.

What started out with one employer, actually in your district, has now grown into a state-wide program encompassing 340 employers who are actively partnering with Ivy Tech Community College to leverage their tuition benefit to upskill, or reskill their incumbent workforce into hard to fill or new jobs.

This program has actually demonstrated success for a couple of reasons. No. 1, because the employer is actively engaged in choosing the program offerings that they are supporting. They have created internal career pathways within their organization, ensuring that students who complete their credential, or their non-credit training, have a guaranteed path to a promotion or a new opportunity.

Second, because the employer is so engaged, they often provide wraparound support, and other supports, and go above and beyond to ensure a student is successful in their education.

Mr. MESSMER. Well, and I appreciate Dr. Ellspermann's leadership on that program. How does Ivy Tech measure the success of its workforce programs, particularly in terms of graduate earnings and employment?

Ms. DODGE. This is where I will highlight President Ellspermann's leadership at Ivy Tech Community College. Our strategic plan, higher education at the speed of life has four

metrics, three of which should come as no surprise, its enrollment, retention and completion.

Under Dr. Ellspermann's leadership we have added a fourth, which is the percentage of our graduates earning above Indiana's median wage 3 years after graduation. What this metric does is ensures that our career link departments across the State who are providing career counseling, work-based learning, and job placement, as well as our academic partners at the college, are aligning our programs and services to labor market needs.

It is ensuring that we are routinely checking those programs. We are measuring our wage data with the help of the Indiana Department of Workforce Development, and we are reporting on that, ensuring that learners know the return on investment of coming to Ivy Tech.

Mr. MESSMER. Well, it is a good way to make sure that the degrees you are offering are relevant, and that is great. Mr. Moore, can you highlight what State workforce development boards can do under current WIOA authorized programs for apprenticeships?

Mr. MOORE. Yes, sir. Thank you for that question. Registered apprenticeship is the gold standard of work-based learning. What we can do is to better integrate State apprenticeship agencies into the public workforce system. Alabama was the first State to create a State apprenticeship agency in 25 years, back in 2019.

Subsequently, more than ten additional states have joined us. That allows us to provide additional staffing that is State funded, and capacity to make sure that we are given a concierge's treatment for employers and individuals to serve as the venues and mediating institutions to help connect those individuals to the opportunity with employers.

Mr. MESSMER. What are the roadblocks for guaranteeing success for either newly registered programs or established programs?

Mr. MOORE. Most of it is the paperwork and needing to have help with somebody to be able to help with compliance issues. Employer does not have time to fill out 150 pages of documents. Sometimes the incentives can be so small, even if they are State funded, and have to go through that burden.

Taking the paperwork and compliance burden off of the back of the employer, letting the State handle that has helped us to see not only participation in the apprenticeship program by the employer, but more retention among the apprentices in that employer's program.

Mr. MESSMER. Excellent. Dr. Moret, median earnings are already tracked within the workforce. Why is it important to track and have a better understanding of hourly wage earnings?

Mr. MORET. Thank you, Representative Messmer. That is a great question. While median earnings do provide a good sense of what a typical completer might earn in the labor market, it is also not uncommon that the outcomes actually vary quite dramatically, in fact, very much by the type of occupation that someone gets.

For example, you could have a WIOA funded training program with a median wage that was attractive, but really where half the participants had really excellent skilled jobs connected to their training with upward mobility. The other half are working in lower

wage, kind of more retail jobs that do not really have much of a career trajectory associated with them.

While the median wage might look okay, it is really masking this sort of divided outcomes. This is one of the reasons among many that we think it is critical to enhance wage records, so that employers, and everyone else involved can better understand outcomes, and be able to make better informed choices.

Mr. MESSMER. Okay. Thank you. I yield back.

Chairman OWENS. Thank you. I want to thank all of our witnesses for the insights. It is a very important topic. I want to recognize my colleague, Mr. DeSaulnier, to finish up and have a closing statement.

Mr. DESAULNIER. Thank you, Mr. Chairman. I want to thank the witnesses as well. This is terrific, and it is really an opportunity for us to work together on measurements, and getting people employed, and measuring people who have a difficult time, as well as people who have less difficult time in a way that produces results, which I always thought was nonpartisan, or bipartisan.

I would like to have unanimous request—I have a unanimous request, Mr. Chairman, that a report from the Federal Reserve Bank of San Francisco entitled, “Did the \$600 Employment Supplement Discourage Work”, which finds just in part that the \$600 UI benefit supplemented in the CARES Act had little or no affect on the willingness of unemployed people to search for work, or accept job offers, and it goes on from there.

I would like to have it entered into the record.

Chairman OWENS. No objection.

[The information of Mr. DeSaulnier follows:]

FRBSF Economic Letter

2020-28 | September 21, 2020 | Research from the Federal Reserve Bank of San Francisco

Did the \$600 Unemployment Supplement Discourage Work?

Nicolas Petrosky-Nadeau and Robert G. Valletta

People receiving unemployment insurance benefits during the COVID-19 recession were entitled to \$600 of additional payments per week through July. This large increase in benefit payments raised a concern that recipients would delay returning to work. However, analysis suggests that the available aid would not outweigh the value of a longer-term stable income in workers' decisions to accept job offers. Evidence from recent labor market outcomes confirms that the supplemental payments had little or no adverse effect on job search.

The onset of the coronavirus disease 2019 (COVID-19) pandemic in mid-March caused a sharp reduction in U.S. economic activity and quickly pushed millions of people out of work. The federal government responded quickly in late March, enacting the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The act substantially enhanced unemployment insurance (UI) benefits, most notably by granting all recipients an additional \$600 per week on top of their usual benefit payments through July.

The large increase in UI benefits prompted concern that some recipients might choose to remain unemployed and continue receiving benefits rather than return to their prior positions or start new jobs. If such behavior were widespread, businesses would be less able to ramp up their workforces as conditions improved, thereby slowing down the recovery.

However, this concern overlooks two key considerations. First, when assessing whether to accept a job offer, benefit recipients are likely to place more weight on the long-term income associated with a lasting job than on the temporary income available from UI. Second, labor market conditions have been quite weak, with many job seekers and few job openings. In such a challenging market, generous benefits are not likely to lead job seekers to devote less time and effort to searching for work.

With these considerations in mind, we assess the impact of the \$600 supplement on job search. We find little to no disincentive effect from the higher benefits in the data. Our findings emphasize that UI benefits instead served as an important source of economic relief and stimulus.

UI benefit amounts in the CARES Act

The federal CARES Act entitled all UI recipients to an additional \$600 per week on top of their usual weekly benefits from April through July 2020. This was a huge increase relative to the nationwide average of about \$380 per week for normal UI benefits (Stone 2020).

To put the \$600 supplement into perspective, Ganong et al. (2020) calculated the implied replacement rates—UI benefits as a fraction of earnings before job loss—with the supplement included, based on 2019

earnings. Their calculations yielded a nationwide median replacement rate of 134%, implying that a substantial majority of UI recipients (68%) would receive benefits that exceeded lost earnings, often by a wide margin. This is very high relative to replacement rates under normal circumstances, which typically average about 50%.

Such generous benefits raise the question of whether job seekers would prefer to prolong receiving UI rather than return to work. A range of empirical studies have identified substantial disincentive effects of sustained UI generosity on job search in relatively healthy labor markets (Schmieder and von Wachter 2016). However, such disincentive effects are less likely in the current labor market environment given the temporary nature of the benefit supplement and weak labor market conditions.

Effects of benefits on job acceptance

To assess whether unemployed individuals are likely to reject available jobs in favor of continuing to receive UI benefits, we need to compare the value of an entire job spell to the value of remaining unemployed. The average U.S. worker earns around \$1,000 per week in a job that typically lasts two years. This persistent income stream implies that the value of a job offer is much greater than just the weekly paycheck. An informed job seeker will compare that income stream to UI benefits that may expire before they find another job.

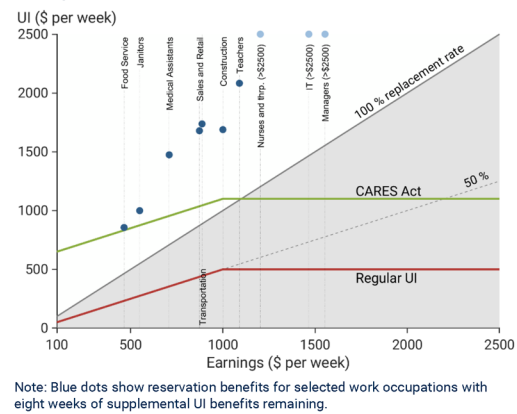
A recent research paper explores this idea in detail (Petrosky-Nadeau 2020). The paper identifies a *reservation benefit*, which represents the dollar amount of weekly UI payments necessary for a recipient to be indifferent between accepting a job offer at the previous wage and rejecting it to remain unemployed. A worker will accept a job offer if the current level of UI payments is below this reservation benefit. Because the typical job lasts much longer than UI payments, the reservation benefit often exceeds the prior wage.

Petrosky-Nadeau (2020) calculates the reservation benefit for a wide variety of workers during the period covered by the CARES Act, using Bureau of Labor Statistics data from the Current Population Survey (CPS). The results suggest that few groups of workers would refuse an offer to return to work at their previous pay. For example, a worker with a high school diploma who typically earned \$800 per week would receive total UI payments under the CARES Act of \$1,000 per week—or 125% of their previous wage. The reservation benefit calculations indicate that they would need an additional \$250 per week in benefits before they would consider rejecting a job offer in early May 2020.

Figure 1 illustrates the range of reservation benefits across a variety of occupations compared with UI payments under the CARES Act. A typical state UI program offers 50% of prior weekly earnings up to a \$500 cap. The figure shows regular unemployment benefits by level of weekly earnings (red line) and total benefits including the CARES Act supplement (green line). The gray shaded area depicts UI payments below 100% of the previous wage. Blue dots indicate the reservation benefit levels for selected occupations.

The figure illustrates that the value of a job significantly outweighs the value of temporary additional UI benefits. Consider the situation during the first week of June 2020, with only eight weeks of supplementary payments remaining and states moving to reopen their economies. At that time, only workers in the lowest paid occupation—food services, with typical earnings of \$460 per week—would be indifferent between accepting a job offer and remaining unemployed. For all other occupations, wage replacement rates over 100% during the pandemic were unlikely to induce people to reject job offers.

Figure 1
Weekly UI benefits versus estimated reservation benefits



Impact of benefit amounts on jobs from recent data

To directly assess how the increased UI benefits affected actual worker decisions over the past few months, we turn to the data on job search outcomes.

First we note that labor market conditions are key; in a weak labor market, job seekers competing for a limited number of available jobs are likely to be relatively unaffected by the level of UI benefits. Indeed, the reservation benefit just discussed rises when jobs become scarce. Kroft and Notowidigdo (2016) confirmed that the disincentive effect from unemployment benefits is sensitive to labor market weakness. Their results imply that the effect disappears when state unemployment rates rise above 8%, well below recent levels.

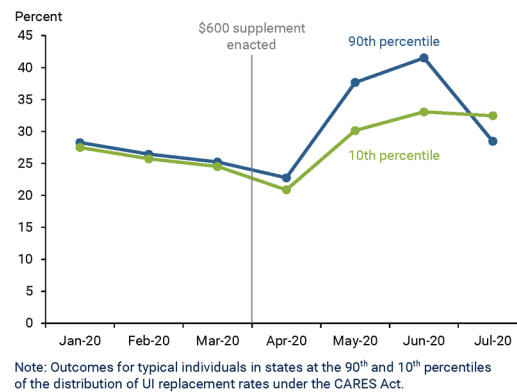
We assessed the disincentive effect of the \$600 UI benefit supplement using a slight modification of the statistical regression framework in Valletta (2014). The analysis relies on CPS individual data matched across consecutive months, which allows us to measure whether unemployed individuals find jobs between one month and the next. The regression includes extensive controls for individual and job characteristics, state labor market conditions such as unemployment rates and employment growth or losses, and monthly changes that are similar in all states.

We focus on the impact of variation across states in the generosity of available UI benefits, combining normal benefits with the \$600 CARES Act supplement. We measure UI generosity using the median replacement rates by state from data provided by Ganong et al. The impact of the \$600 supplement on replacement rates varies depending on state wage structures, and it only became effective in the data starting in April. Therefore, we can compare job-finding outcomes between individuals in different states

before and after the \$600 supplement became available to assess its impact. Economists refer to this statistical design as a “difference-in-differences” regression.

Figure 2 shows the estimated impact of cross-state variation in UI generosity on the likelihood of finding a job during January through July 2020. The figure compares the evolution of job-finding rates for the typical individual in states that are toward the high and low ends of the range of UI replacement rates under the CARES Act. Specifically, we compare individuals in states at the 90th and 10th percentiles based on a ranking of states from lowest to highest replacement rates. The figure shows little or no evidence of a disincentive effect of UI benefit generosity on finding and accepting new jobs. To the contrary, individuals in states with more generous UI benefits on average generally found and accepted jobs more rapidly than those in states with less generous benefits, although the pattern was modestly reversed in July.

Figure 2
Job finding from unemployment by state UI replacement rates



These findings suggest that the primary impact of the UI supplement was to provide the income needed for households to make essential purchases and payments, thereby helping to sustain overall economic activity and employment. This is consistent with the conventional “automatic stabilizer” or stimulus role of UI payments. This conclusion is reinforced by the pattern in Figure 2 of a sharp pickup in job-finding rates in May and June, when the \$600 supplement became widely available.

This statistical framework is not airtight. Most notably, it relies on measuring benefit variation broadly at the state level rather than precisely at the individual level. However, our complete analysis provides consistent evidence that the \$600 supplement did not make people less willing to search for work. More extensive analysis in Altonji et al. (2020), based on alternative data sources and individual estimates of UI replacement rates, yielded similar findings.

Conclusion: The stimulus role of UI

The findings in this *Letter* suggest that the \$600 UI benefit supplement in the CARES Act had little or no effect on the willingness of unemployed people to search for work or accept job offers. This likely reflects the appeal of a sustained salary compared with even very generous unemployment benefits when labor market conditions are weak and virus containment measures prevent hiring. Stated more starkly, with infrequent job offers and supplemental UI payments being only temporary, job seekers do not have the luxury to be choosy and delay accepting a job in favor of continuing to receive benefits.

The limited impact on job search highlights the traditional stimulus role of UI benefits, to help replace the lost income of displaced workers in an economic downturn. Expanded UI benefits from the CARES Act appeared to be an important source of aggregate stimulus rather than an impediment to labor market improvement. When a durable labor market recovery starts, the disincentive effects of UI generosity may become more important. In the meantime, our findings suggest that a renewal of the UI benefit supplement would be an effective way to maintain economic activity without distorting search behavior and holding back job growth.

Nicolas Petrosky-Nadeau is a vice president in the Economic Research Department of the Federal Reserve Bank of San Francisco.

Robert G. Valletta is a senior vice president and associate director of research in the Economic Research Department of the Federal Reserve Bank of San Francisco.

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Mr. DESAULNIER. Again, thank you all. Last Congress, as I referred to, we worked together to reach an excellent bipartisan agreement to strengthen our workforce system, to help America's employers and workers.

This agreement entitled A Stronger Workforce for America Act updated the Workforce Innovation and Opportunity Act, WIOA, to increase skills development, strengthen the connection between employers and the workforce system, and put more Americans on a pathway to success in the workforce.

Unfortunately, a combination of factors, including rampant misinformation on social media, caused our agreement not to become law as we had all hoped. I am pleased that today's conversation had allowed us to get back on track. I urge the Committee to promptly advance the same bipartisan agreement we worked so hard to reach the last Congress, and then the House to swiftly pass it into law.

Doing so would be good for our workers, good for businesses, and good for the U.S. economy. Thanks again, Mr. Chairman, for convening the important hearing, and I yield back my time.

Chairman OWENS. Thank you. I want to just say I, too, agree with the bipartisan way we have approached this. I am actually looking forward to having this hearing the last couple days because I knew it would be bipartisan, and it is probably one of the more important national security conversations we are going to have.

How to prepare our generation, this next generation, for an explosion we are going to have over the coming years. I will say this, Ms. Sainz, you said something about the hope and that is really what the obligation we have to give the folks who are looking for a way to essentially their dreams.

What I appreciate is the innovation, the innovators like yourself, that the years you spent in your occupation to be able to sit here as experts to tell us how we can better be innovative in our ways of doing this. Just know we have a legislative body that wants this to work.

Our American people deserve the opportunity. They want to get to the middle class they have to be educated. They have to have an opportunity to reach out for something they can dream for and work hard for, and that hope is a big piece of it. We look forward to working with you.

My ask, and I say this as often as I can, you are the innovators. What we can do best is take what you have and try to legislate around that, legislate those things that can actually make a difference. We ask you to be proactive, reach out to us, let us know. This is a very important legislative piece that we need to put through.

We came so close again, we are going to make sure it happens as we get into this next time. I want to thank my colleagues for this bipartisan approach. We are going to make sure we work together to get this done and thank you again for the insight and expertise you have given us today. With that, I would like to thank the witnesses again for taking this time to testify for the Subcommittee.

Without objections, there being no further business, the Subcommittee now stands adjourned.

[Whereupon, at 12:24 p.m., the Subcommittee was adjourned.]

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March 31, 2025

Mr. Robert Sainz
Chair, National Youth Employment Coalition Board of Directors
1155 15th Street, NW, Suite 725
Washington, DC 20005

Dear Mr. Sainz,

Thank you again for testifying at the March 5, 2025, Committee on Education and Workforce, Subcommittee on Higher Education and Workforce Development hearing titled "Strengthening WIOA: Improving Outcomes for America's Workforce." Enclosed are additional questions submitted by Committee members following the hearing. Please provide a written response no later than April 21, 2025, for inclusion in the hearing record. Responses should be sent to Isaiah Knox (isaiah.knox@mail.house.gov) of the Committee staff; he can also be contacted at (202) 731-7894.

We appreciate your contribution to the work of the Committee.

Sincerely,

Burgess Owens
Chairman
Subcommittee on Higher Education and Workforce Development

Representative Ilhan Omar (D-MN-05)

1. With [WIOA] reauthorization still in limbo, localities, workers, and employers across the country are stuck navigating uncertainty instead of expanding opportunity. However, this moment does give us a chance to revisit and refine bipartisan legislation. I have heard directly from our local workforce development boards, unions, and other stakeholders that funding levels and funding flexibility remain a concern. To address urgent workforce issues, Congress must ensure that we give our communities sufficient resources – that can not only meet emerging challenges and opportunities in our rapidly evolving economy, but that are also fit-for-purpose and responsive to local needs and job markets.
 - a. **Q:** One way in which Congress can provide this type of comprehensive, dynamic support is by providing dedicated funding sources for wraparound services. Mr. Sainz, could you discuss the important role of supportive services, particularly for opportunity youth and other underserved populations?
 - b. **Q:** How do such supplementary services to job training, such as transportation and career counseling, impact worker participation and training completion rates?

Mr. Robert Sainz Responses to Questions for the Record
“Strengthening WIOA: Improving Outcomes for America’s Workforce”

Hearing Before the Subcommittee on Higher Education and Workforce Development
Committee on Education and Workforce
U.S. House of Representatives
March 5, 2025

Representative Ilhan Omar (D-MN-5)

1. With [WIOA] reauthorization still in limbo, localities, workers, and employers across the country are stuck navigating uncertainty instead of expanding opportunity. However, this moment does give us a chance to revisit and refine bipartisan legislation. I have heard directly from our local workforce development boards, unions, and other stakeholders that funding levels and funding flexibility remain a concern. To address urgent workforce issues, Congress must ensure that we give our communities sufficient resources – that can not only meet emerging challenges and opportunities in our rapidly evolving economy, but that are also fit-for-purpose and responsive to local needs and job markets.
 - a. **Q:** One way in which Congress can provide this type of comprehensive, dynamic support is by providing dedicated funding sources for wraparound services. Mr. Sainz, could you discuss the important role of supportive services, particularly for opportunity youth and other underserved populations?
 - i. **A:** We know that young people need stable housing, reliable transportation, access to food, and strong mentors to succeed in school and the workplace. Opportunity youth and other underserved populations are no different, but they may lack access to these supportive services. The workforce system, along with other partners in the ecosystem, can provide these supports so opportunity youth can pursue their education and career goals. Additionally, nearly 30% of opportunity youth are parents. This means that they also may need child care in order to participate in workforce training programs and school.
 - b. **Q:** How do such supplementary services to job training, such as transportation and career counseling, impact worker participation and training completion rates?
 - i. **A:** Reliable transportation and career counseling are necessary supports for young people in workforce training programs. If a young person can’t safely and reliably get to a program, they won’t be able to receive these services. Career counseling is also very important to expose young people

to employment options that they may not otherwise be aware of and support them in determining a career that fits their skills, strengths, and interests. Both supportive services can increase worker participation and completion rates. [Research](#) from the Institute for Women's Policy Research found that program completion is higher in programs that report that their participants' supportive service needs are met well.

