



April 4, 2022

The Honorable Bobby Scott
Chairman
House Education and Labor Committee
U.S. House of Representatives
2176 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Scott:

On behalf of our respective organizations, we applaud the Committee's efforts to define evidence and prioritize inclusive, innovative, and evidence-based strategies in H.R. 7309, the Workforce Innovation and Opportunity Act of 2022. As you consider further action on this bill, we encourage you to adopt additional policy solutions that bridge the gap between the needs of our economy and the opportunities available to workers.

Workforce development is key to expanding opportunity and ensuring economic prosperity, but even as the demand for workers continues to grow, millions of people across the country continue to face systemic barriers to employment and economic opportunity. As we work to expand equity across new and existing workforce systems, intentional and inclusive workforce development policies will be key to improving employment access, creating high-quality jobs, and building a stronger economy. We need to craft a workforce system that is innovative, transparent, and evidence-based; provides for continuous improvement; and sets appropriate incentives to serve individuals with barriers to employment.

Working with stakeholders across the system – ranging from State and local boards, nonprofits, community-focused organizations, businesses and a wide array of WIOA participants with diverse strengths and needs – our organizations have seen how the current workforce system too often does not meet the needs of today's participants. Eight years after the last reauthorization of the Workforce Innovation and Opportunity Act (WIOA), Congress now has the opportunity to build on previous reforms that have shown promise and effectively expanded opportunity, in order to address the persistent challenges that have slowed progress and obstructed equity.

We are deeply appreciative of many of the bill's proposed elements, including the following:

- The inclusion of a Workforce Development Innovation Fund – one of our top priorities for reauthorization – and an array of provisions elevating evidence-based strategies and continuous improvement across the workforce system.
- Authorizing the Labor Department's Workforce Data Quality Initiative, Strengthening Community College Training Grants and the Reentry Employment Opportunity programs, as well as the Community College and Industry Partnerships program.

- Defining “evidence-based” with respect to WIOA activities, strategies and interventions based on the number and quality of evaluations supporting the effectiveness of these approaches.
- Including reforms that squarely address equity, such as the new state equity reports with disaggregated performance data and ensuring performance accountability negotiations take continuous improvement efforts into account.
- Adding performance indicators focused on job quality and earnings after four quarters.
- Making the provision of supportive services a required activity and expanding the scope of such services.
- Raising the cap on the proportion of local funds that can be spent on transitional jobs interventions, such as employment social enterprises and alternative staffing organizations.
- Raising the cap on boards’ use of funds for pay-for-performance contracts.
- Increasing authorized funding across the board.

As the reauthorization process continues, we encourage you to build on the bill by incorporating reforms aligned with the following three recommendations:

1) Expand Evidence-Based Provisions and Support Outcomes-Focused Activities

Building on the bill’s provisions encouraging continuous improvement, evidence-building, and the use of evidence-based practices, we recommend that you include complementary changes that ensure agencies, providers, and other stakeholders have the sustained support they need to adopt, develop, and refine effective, outcomes-focused strategies. These strategies include the use of performance-based contracting to align incentives, focus on performance, and encourage the provision of services to populations that are underserved in the current system. Dedicated, federally-funded technical assistance for these activities is essential, along with incentives to encourage boards to take them up and technical fixes that make performance-based contracting methods easier to implement. We further recommend prioritizing evidence of effectiveness in the three major Title I funding streams, Youth, Adult, and Dislocated Workers. This change will maximize the effectiveness and efficiency of federal spending by introducing a stair-stepped requirement for States and local workforce boards to increase the percentage of funds dedicated to evidence-based activities.

2) Invest in Evaluation, Data, and Research

Alongside the bill’s authorization of the Workforce Data Quality Initiative grants, we strongly recommend taking the opportunity to reverse long underinvestment in workforce data systems through this reauthorization by directing the Secretary to invest up to 1 percent of funds for evaluation. We applaud the bill’s recognition that a much more substantial, sustained investment in data infrastructure and capacity is necessary to enable inclusive, effective reforms in the workforce system, and suggest similar dedicated evaluation support to leverage that data for improvement as well as provisions facilitating privacy-protected, secure data linkages between States, providers, and federal agencies. In other fields such as K-12 education, the provision of high-quality, disaggregated data alongside sustained evaluation support has provided an essential foundation for equity-focused improvement.

3) Ensure the System Fully Supports a Path to Economic Mobility through Performance and Accountability Indicators, Accessibility, and Supportive Services Enhancements

We suggest incorporating several systemic changes alongside the bill's proposals in order to ensure the workforce system fully supports a path to economic mobility for all participants. We applaud the bill's provision enabling individuals to participate in training while eligibility determinations are pending, and encourage you to consider further reforms streamlining the current eligibility determination process for Title I training participants to remove unnecessary hurdles for participants and providers. In addition, we propose expanding the scope of Title I participants eligible for supportive services — as the bill's expansion of covered supportive services recognizes, these services are essential to enable participants with barriers to employment to fully access and benefit from training, and many of the most proven providers incorporate them as a core program component. In addition, we encourage you to build on the bill's increased emphasis on job quality and long-term earnings by further enhancing the WIOA core performance indicators, including longer-term earnings measures.

We appreciate the opportunity to provide feedback, and would welcome the opportunity to discuss these recommendations further. As the reauthorization process continues, we look forward to working with you to advance these important issues in the months ahead.

Sincerely,

America Forward
Results for America
Alternative Staffing Alliance
America Achieves
American Student Assistance
Appletree Institute for Education Innovation
Center for Employment Opportunities
Colorado Equitable Economic Mobility Initiative (CEEMI)
Data Quality Campaign
GreenLight Fund
LIFT, Inc.
Local Initiatives Support Corporation (LISC)
Maycomb Capital
Opportunity@Work
Per Scholas
Project Evident
REDF (Roberts Enterprise Development Fund)
Social Finance
Third Sector Capital Partners
Third Way
Year Up Inc.
YouthBuild USA