# Strengthening *WIOA* Reauthorization

## Opportunities to Advance an Essential Bill to Improve Economic Mobility

Americans need a range of pathways to career success and economic mobility. Meanwhile, nearly the entire country faces a severe shortage of workers trained for high-paying jobs that do not require a bachelor's degree. *The Workforce Innovation and Opportunity Act (WIOA)* is the primary federal law governing the nation's workforce development system and is a crucial policy to address these gaps. A decade after *WIOA*'s passage, significant challenges still hamper the workforce system's ability to serve workers and employers. Policymakers across the political spectrum recognize the urgency of updating *WIOA* to put more Americans on the pathway to economic success.

### What is *WIOA*?

The *Workforce Innovation and Opportunity Act* passed with bipartisan support in 2014 and governs the nation's workforce development system.

### What is *ASWA*?

In 2024, Congress nearly enacted a bipartisan bill to modernize *WIOA* known as *"A Stronger Workforce for America Act,"* or *ASWA*. Congress should reinvigorate efforts to refine and pass *ASWA*.

### THE SOLUTION

Congress can increase economic mobility for American workers, competitiveness for employers, and value for taxpayers by supporting outcomes and evidence-focused provisions in *ASWA* and other *WIOA* reauthorization proposals, as well as related common-sense reforms.

1. **Empower states to make better funding decisions by improving performance measures and quality signals.** *WIOA*'s measures look only at shorter-term outcomes (e.g., employment and earnings within one year of program completion), which do not tell us much about how workers fare in ensuing years and even create perverse incentives to push participants into low-opportunity jobs. Congress should:

   a. **Focus on simpler measures of the training programs' impact on earnings over the long term,** such as measuring increases in earnings or wages over several years while simplifying other reporting requirements.

   b. **Ensure states assess the return on investment** (ROI) of each training provider, as measured by earnings increases for participants relative to the cost of training, and update eligible training provider lists accordingly. Congress should keep provisions included in *ASWA* to this effect.

   c. **Enable data-driven decisions** by maintaining *ASWA*'s codification of the bipartisan Workforce Data Quality Initiative. WDQI supports states to develop the data systems they need to make better use of public funds.

   d. **Require providers to train participants for in-demand *and* high-wage occupations.** Some policies leave it as one or the other, which results in pressure on participants to enter lower-wage, low-mobility occupations.

2. **Fund training providers based on participants' outcomes, especially for those with greater barriers to employment and economic mobility.**
   There is strong bipartisan interest in scaling programs like apprenticeships and sectoral partnerships — but also risks, given variation in quality. Well-designed funding structures can incentivize providers to focus on outcomes for participants; enable impactful programs to scale more easily; and protect workers, employers, and taxpayers from ineffective or predatory programs. Congress should:

   a. **Expand workforce boards' ability to use performance-based funding,** such as by increasing the share of *WIOA* funds that states and localities can deploy through pay-for-performance contracts with training providers (e.g., as in previous reauthorization drafts, to 40-60% of Title I funds — contingent on demonstration of improved performance through use of such contracts), maintaining the performance-based elements of *ASWA*'s proposed Critical Industry Skills Fund, and helping states access outcomes data.

   b. **Establish a minimum performance threshold** for training providers on which states can build, including minimum ROI and post-program earnings thresholds, as included in some *ASWA* drafts. A "conditional eligibility" category could preserve space for innovation and new entrants.

   c. **Allocate a greater share of *WIOA* funding based on participants' labor market outcomes,** especially for workers with barriers to opportunity (e.g., by tying the "Workforce Innovation Leader" designation included in *ASWA* to the performance bonuses that the latest bill draft would require governors to develop).

   d. **Ensure that competitive grant programs allocate more funding to programs that meet higher levels of evidence** to maximize student and taxpayer ROI. The latest reauthorization bill includes a tiered definition of evidence, but no incentives to reach higher tiers. Congress should add such incentives. It also should require rigorous evaluation of all competitive grant programs and allocate 0.5-1% of *WIOA* Title I funds to this use.

3. **Enable integrated planning to support states in building easier-to-navigate education and training systems.** Education and training services are fragmented across many programs and are hard to navigate for students, employers, and public agencies. This complexity creates a focus on regulatory compliance rather than outcomes.
States and localities need flexibility to align education, workforce, and related policies, and to make services easier to navigate — but should be held accountable to ensure those efforts improve services for workers. Congress should:

   a. **Provide opportunities for states to pilot greater alignment of federal funding streams,** such as through so-called "one door" and "performance partnership" pilots that enable states to integrate *WIOA* and other funding streams for simplified planning, more flexible uses, and more impactful training and supportive service delivery.

   b. **Include strong requirements for evaluation and use of evidence-based practices** for any such pilots, as incorporated in *ASWA*, to ensure they result in improved services and outcomes — especially for workers with greater barriers to opportunity.

   c. **Simplify state eligibility to participate in these pilots,** such as by easing caps on state size and number of local workforce areas. Congress should provide guardrails on the pilots by requiring that states demonstrate reach and impact for workers with barriers, rather than through *ASWA*'s restrictive criteria that limit states' ability to pursue the pilot authorities.