Overview of Federal Policy Recommendations

https://www.pw.hks.harvard.edu/post/publicjobtraining


Expand and reform public funding for workforce training programs:

• Provide more federal investments in job training. The U.S. workforce development system is persistently underfunded. Overall, the U.S. spends only 20 percent of the OECD average on active labor market policies as a share of GDP. According to WIOA performance reports, in 2019, $427 million was spent on training programs for adults and dislocated workers, and around 220,000 people received training through those two WIOA Title I programs. To put these numbers in perspective, Pell grants alone provide over $25 billion in aid to approximately 6 million undergraduate students. At these funding levels, WIOA resources won’t come close to meeting the full scope of America’s human capital development and workforce needs and training through the public workforce system will remain stuck in a low-resource, low-efficacy equilibrium.

• Invest in funding models that complement and go beyond consumer choice programs. Vouchers alone do not facilitate strategic investments by the government in priority sectors with fast-growing, good-paying jobs. Particularly, more funding should be made available to directly support high-quality sectoral, cohort-based training programs, including wraparound supports. Complementary models could include competitive grant...
competitions that encourage cross-sector partnerships and support training investments for high-priority roles (e.g., the Department of Commerce’s Good Jobs Challenge), as well as more financial aid for short-term, non-degree credentials from accredited, non-profit higher education providers (e.g. JOBS Act /expanded Pell grant eligibility), and more flexibility to state and local entities to support direct contracting of strong providers (e.g., larger dislocated worker grants; more flexible options in WIOA like the Governor’s Reserve, on-the-job training and customized training).

**Improve career navigation experiences and services for workers:**

- **Invest in technology to support workforce training navigation.** If the aspirations for individual “self-service” and “consumer choice” in WIOA are ever to be realized, federal funds should intentionally incentivize States to improve the front- and back-end of ETPL web-based lists to help them more accurately and accessibly present information about training providers to workers.

- **Invest in human capacity to support career navigation.** Given the constraints in the current information ecosystem, most workers rely on support from people to make decisions about training and job transitions. Funding for the Wagner-Peyser system has declined substantially in real terms in recent decades. We need more dedicated funding for professional development and capacity building of the critical personnel that supports job seekers’ decisions about training and access to good jobs.

**Invest in data systems and collection to ensure dollars are spent effectively:**

- **Build state capacity for data collection, including through technical assistance.** WIOA requires states to collect data about both individual participants (wage and employment metrics) and providers (numbers and types of learners, costs, and completion rates), but implementation has proved difficult, especially data collection at the provider level. Performance information is missing and may be unreliable. Some states report that the process is burdensome for organizations responsible for the outreach. At a minimum, the federal government could provide technical assistance on how states and local workforce development boards can improve data collection and reporting practices or ETPL lists to prioritize job quality criteria.

- **Build a public job training scorecard to understand the impacts of WIOA programs on participants.** While TrainingProviderResults.gov represents a valiant first effort, in the long run, we should aim to create a national data source for workforce development that is comparable to higher education’s College Scorecard. Matching participant information to tax data from the IRS would create a more unified and trustworthy source of
information to understand if training programs lead to higher wages and better career outcomes.

**Design systems to meet the needs of the changing workforce and worker experience:**

- **Enable systems to respond to changing economic conditions, such as the rise of remote work and training across states.** Traditionally, the public workforce system has been governed by the frame of the local or regional labor market. However, changing conditions on both the supply and demand side test the continued relevance of this approach. On the demand side, the rise of remote work means that individuals may wish to train for good-paying jobs that may not show up as “in demand” locally but, in fact, are in demand nationally. Similarly, on the supply side, if an online community college program has good results, it has no way to easily get approval for residents living in another state to enroll. Given these changes in the economy, Congress and the Department of Labor should think seriously about new solutions that allow remote workers to benefit from the public job training system and high-quality providers to become eligible in multiple states.

- **Learn from and design around worker experiences.** Many design choices in WIOA, though likely intended to enhance accountability, have, in practice, created many barriers for workers to access the funding, choose a program with a high return, enroll in training, and successfully transition into a job in a field of study. Technocratic fixes should not overshadow the importance of focusing on how participants experience the system. As Congress considers WIOA reauthorization, they should seek out feedback from past users of training services and incorporate their experiences in legislative reforms.