



Reauthorizing WIOA - What's Next for Federal Workforce Development Programs?

Center Forward Basics

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Overview

For nearly a century, federal workforce development programs have operated to equip workers with the skills they need and businesses with the resources and manpower to thrive in a growing and changing economy. These initiatives date back to the Wagner-Peyser Act of 1933, which established a nationwide system of public employment offices, and the Comprehensive Employment and Training Act (CETA) of 1973, which provided federal funding for job training and community service employment. In 1998, the passage of the Workforce Investment Act (WIA) was a significant turning point in federal workforce policy, consolidating numerous fragmented job training programs into a unified system.

Building on this foundation, Congress passed the Workforce Innovation and Opportunity Act (WIOA) in 2014 with strong bipartisan support as part of the long recovery from the 2008 financial crisis. Now, as WIOA is up for reauthorization more than a decade later, policymakers from both parties recognize the urgency of adapting these programs to address contemporary challenges, including rapid technological advancements, demographic shifts, and post-pandemic labor market dynamics. This Basic explores how WIOA has changed the federal workforce development system since 2014 and the bipartisan negotiations to ensure federal workforce development remains effective and responsive moving forward.

What is WIOA?

The Workforce Innovation and Opportunity Act (WIOA) was passed by Congress and signed into law in July 2014. The law was designed to update the American workforce development system to address the needs of job seekers and employers better. Rep. Virginia Foxx (R-NC) wrote and introduced the bill in the House of Representatives as the Supporting Knowledge and Investing in Lifelong Skills Act (SKILLS Act) in February 2013. The bill passed the House mostly along partisan lines with Republican support. The Democratic-led Senate took up the bill, modifying some substantial provisions and renaming it the Workforce Innovation and Opportunity Act. The modified WIOA bill passed bipartisanship in both the Senate and the House with near unanimous support.

Before WIOA, federal workforce development efforts were primarily guided by the Workforce Investment Act (WIA) of 1998. WIA consolidated several fragmented job training programs into a more cohesive system and funding

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Center Forward brings together members of Congress, not-for-profits, academic experts, trade associations, corporations and unions to find common ground. Our mission: to give centrist allies the information they need to craft common sense solutions, and provide those allies the support they need to turn those ideas into results.

In order to meet our challenges we need to put aside the partisan bickering that has gridlocked Washington and come together to find common sense solutions.

For more information, please visit www.center-forward.org

Key Terms:

- **American Jobs Centers (AJCs):** Originally branded as "One-Stop Career Centers," AJCs are a network of offices across the U.S. that provide a suite of services to job seekers, including job fairs, job matching, education and training vouchers, and social support services.
- **Workforce Development Boards (WDBs):** the new governing body for AJCs established under WIOA, WDBs created a unified funding stream and consolidated several workforce development programs. The boards comprise stakeholders

stream, most notably by establishing One-Stop Career Centers, later branded as **American Jobs Centers (AJCs)**. At American Jobs Centers, workers and job seekers can access various career services, including job search assistance, career counseling, skills training, and funding for community college education and apprenticeships. While WIA marked a significant step toward modernizing workforce policy, over time, concerns about the program's efficiency, accountability, and adaptability to the local labor markets emerged from both sides of the aisle.

These concerns prompted bipartisan calls for reform in the early 2010s. Rep. Foxx's original SKILLS Act mainly focused on eliminating redundant workforce programs identified by the Government Accountability Office (GAO) and adding tighter spending and benefits distribution rules to curb government waste. The ultimate version that passed the Senate kept the redundant workforce programs noted by GAO and added some additional programs.

Once passed and enacted, WIOA superseded titles I and II of WIA to further consolidate federal workforce development programs under a single funding stream. WIOA also established **Workforce Development Boards (WDBs)** to operate and oversee AJCs. Some of the most significant changes to the administration of AJCs include:

- **Unified State Plans** - WIOA requires states to create a single, unified plan to coordinate their workforce programs funded under the legislation to reduce duplicate services, encourage interagency collaboration, and make Job Centers more efficient. State and local workforce boards are also given more authority over investment decisions and resource allocation to better fit the needs of their unique communities.
- **Performance Metrics and Accountability** - WIOA mandates AJCs report outcomes, including employment rates, median income of placed jobs, and credential attainment.
- **Focus on Employer Engagement** - The statute language in WIOA emphasizes the importance of employers in the workforce system - encouraging local workforce boards to see them as partners in building a high-value workforce. This includes establishing employer-driven training programs, initiatives designed to meet the specific needs of local employers, and aligning job training with local labor market needs. Examples include on-the-job training programs, customized training to meet the needs of large employers in a given area, and collaborations between training providers, employers, and workforce agencies for joint programs.
- **Priority Focus on Underserved Populations** - To ensure WIOA resources are used to achieve the most significant possible impact, the bill made it mandatory for job centers to prioritize services for individuals with barriers to employment, such as veterans, people with disabilities, and low-income individuals.

from key sectors, including business leaders, labor representatives, educators, training program administrators, and government agency representatives.

- **Individualized Training Accounts (ITAs)**: a voucher program funded through WDBs that helps individuals pay for approved training and community college programs. The voucher program aims to give job seekers greater agency to pursue their career interests and the skills most valuable to local labor market needs.
- **Unfair Labor Practices (ULPs)**: an instance where an employer or labor union violates employees' rights under the National Labor Relations Act (NLRA). Examples include interfering with union activities, discriminating based on union affiliation, or refusing to bargain in good faith.

- **Supportive Services** - WIOA took a more comprehensive view of workforce development and strengthened the role of and expanded the eligibility requirements of supportive services for job seekers. The act required AJCs to partner with local service providers and create a referral system to provide child care, transportation, housing assistance, and other social services to reduce barriers to employment.

The initial reception of WIOA was broadly positive. Democrats supported WIOA's increased focus on serving vulnerable populations and emphasizing apprenticeships and partnerships with community colleges to create career pathways leading to higher-paying jobs. Republicans were pleased with the streamlined efficiency of services, greater accountability, and the more assertive push for employer-driven training and public-private partnerships.

Reauthorizing WIOA

The 2014 WIOA bill was initially authorized for six years, expiring in 2020. While the law has yet to be fully reauthorized, the federal workforce programs under WIOA operate through annual appropriations. Nearing the end of the 118th Congress with reauthorization still overdue, both parties, both chambers of Congress and workforce advocacy groups are in active discussions to update the legislation to address emerging labor market needs.

In December 2023, Education & Workforce Committee Chair Rep. Virginia Foxx introduced H.R. 6655, A Stronger Workforce For America Act (ASWFA), to reauthorize the WIOA. Ranking Member Bobby Scott (D-VA) cosponsored the bill, and it passed the committee with broad bipartisan support, 44-1. To build on WIOA's efforts to make federal workforce development programs more innovative and adaptable, ASWFA gives local workforce boards greater authority to change and reimagine existing programs. The bill also facilitates skills-based hiring by expanding the criteria for accepted credentials and allowing job seekers to claim on-the-job experience in addition to traditional education and certificates.

Chairwoman Foxx and House Republicans made program efficiency and accountability their top priorities in WIOA reauthorizations. One of the most significant changes in ASWFA proposed a mandate that a minimum of all funds directed towards AJCs go toward upskilling and training programs through **individualized training accounts** (ITAs). ITAs work as a voucher program to help individuals pay for training programs of their choice from an approved list curated by the local workforce board. Republicans prioritizing program efficiency and accountability support this measure for cutting administrative costs and spending resources where the outcomes are most directly relevant. Some progressives, local workforce boards, and labor advocates have raised concerns that this mandate will cut resources to supportive services like child care, housing, and transportation that can reduce barriers for underserved populations to rejoin the workforce. These critics stress workforce development programs are underfunded at all levels.

In the summer of 2024, the Senate HELP Committee and Chairman Bernie Sanders (I-VT) convened a series of hearings and released a discussion draft of their bill to reauthorize WIOA. The Senate bill made several significant changes from the House version, most notably dropping the mandate directing 50% of federal funds to training and upskilling programs. The Senate draft uses a "such sums as necessary" approach to give appropriators more discretion in allocating funds. Also, it creates a new funding stream for ITAs derived from H-1B visa application fees. The Senate draft also emphasizes preparing for the impacts of automation and artificial intelligence on workforce development.

Sen. Sanders also spearheaded an effort to include a "blacklisting provision" in the Senate negotiations, drawing sharp criticism from both industry and government stakeholders. The blacklisting provision aims to strengthen compliance with labor laws, barring any employers found guilty of **Unfair Labor Practices** (read the Center Forward Basic on ULPs [HERE](#)) from partnering with AJCs for job matching and training services. The provision also introduces stricter disclosure

requirements for employers looking to participate in federal workforce programs as training providers. Critics note the blacklisting provision does not distinguish between minor offenses and major crimes, likely cutting out a large number of well-meaning businesses from engaging in the system. They also emphasize the administrative burden of disclosure and compliance requirements, which are especially challenging to small businesses.

The Biden Administration has also weighed in on negotiations to reauthorize WIOA, pushing for more significant support for apprenticeship programs. The Administration expressed interest in including a reauthorization for the National Apprenticeship Act as part of a new package since the legislation had not been fully reauthorized since its initial passage in 1937. Their proposal would allow credits from apprenticeship programs to stack into four-year bachelor's degrees, building on WIOA's work to open more avenues for higher accreditation and career advancement.

The Path Ahead

As the 118th Congress comes to a close, the House Education & Workforce Committee and Senate HELP Committee are meeting to conference the two bills before the end of the year. While the two committees' bills overlap in most areas, key differences to settle include Chairwoman Foxx's 50% funding mandate in ASWFA, the topline budget numbers authorized for all federal workforce development funding, Chairman Sanders' blacklisting provision, and the standards for accountability and metrics on deliverables going forward.

The main obstacle to passing reauthorization is the lack of remaining legislative vehicles to move the package forward. With a divided House and Senate, policymakers expect nothing beyond must-pass legislation like NDAA reauthorization and the fiscal year 2025 spending packages to pass. WIOA reauthorization can hypothetically be attached to either of these large bills, but that may limit the scope of the ultimate compromise package and its overall funding. Despite the policy disagreements and procedural hurdles for negotiators to work through, leaders from both parties and chambers remain optimistic and stress the importance of a strong and forward-looking federal workforce development program.

Links to Other Resources

- American Enterprise Institute and Brookings - [The Workforce Futures Initiative](#)
- Congressional Research Service - [A Stronger Workforce for America Act \(H.R. 6655\): In Brief](#)
- Lightcast - The Rising Storm: [Building a Future-Ready Workforce to Withstand the Coming Labor Shortage](#)
- National Association of State Workforce Agencies - [A Letter to Congress Regarding WIOA Reauthorization Recommendations](#)
- National Association of Workforce Boards - [A Status Update on Federal Workforce Funding and Reauthorization](#)