



National Youth Employment Coalition Comments on the Stronger Workforce for America Act and the Bipartisan Workforce Pell Act

December 22nd, 2023

The Stronger Workforce for America Act (SWAA) and Bipartisan Workforce Pell Act (BWPA) contain good ideas and good intentions for addressing the urgent issue of ensuring that U.S. workers are prepared for competition in the global 21st century workforce. The National Youth Employment Coalition (NYEC) is an association that represents community-based organizations (CBOs), local workforce development boards (LWDBs), state workforce agencies, and other organizations that serve Opportunity Youth (OY), young people aged 16-24 who are out of school and out of work.

NYEC remains concerned that these bills do too little to provide training and employment opportunities that young people need to become productive workers, contribute to their communities, and achieve economic self-sufficiency. We hope to continue working with Members of Congress to achieve these goals.

Stronger Workforce for America Act

Authorization Levels

The most pressing issue facing the nation's workforce development system is decades of underinvestment. Since 2000, state formula grant funding for workforce development has declined by nearly 50 percent in inflation-adjusted terms.

In many parts of the country, especially rural areas where non-Federal funding is scarce, there is hardly a system of which to speak. In the current program year, [10 states are receiving less than \\$3 million through the WIOA Youth formula program](#), funding with which they are tasked to provide comprehensive, statewide services to young people who face significant barriers to completing their education and accessing employment.

SWAA proposes to authorize a small increase in funding for all programs in fiscal year 2025, then maintain this level of funding through FY2030 – thus essentially endorsing further cuts to these programs in inflation-adjusted terms. For the WIOA Youth formula program, SWAA authorizes \$976 million. In comparison, WIOA authorized \$963 million for fiscal year 2020, or \$1.15 billion in today's dollars. For formula funds especially, authorization levels tend to function as a ceiling for appropriators. We are disappointed the House Committee on Education and the Workforce has chosen to consign further cuts. *We recommend authorization levels at least comparable, in inflation-*

adjusted terms, to those authorized under WIOA and levels that increase each year by more than the rate of inflation.

Formula

We are concerned by deficiencies in the formulas used in Title I programs. To create a formula that's more responsive to the youth labor market, *we recommend using the youth unemployment rate (age 16-24) in place of the measures in subclauses (I) and (II) of Sec. 127(b)(1)(C)(ii).* WIOA currently allows for adjustments in performance measures based upon local conditions. This has helped better serve the hardest-to-serve youth with multiple barriers. However, in accordance to switching to a Priority Populations Framework, this condition can go further. *We also recommend allowing extensive adjustment for labor-market conditions by making youth discretionary allocation mandatory in Sec. 128(b)(3) and eliminating (3)(B)(i)(I) and (II) to include a measure defined by the state to adjust for local conditions.*

Youth Workforce Investment Activities (Current WIOA Youth Program)

SWAA contains many good ideas related to the formula-funded youth workforce activities program (hereafter the WIOA Youth program).

Eligibility/Defining Opportunity Youth

Given limited resources available to young people in need of services provided by the WIOA Youth program, the complexities of determining school status, and continued controversy about WIOA's focus on out-of-school youth, NYEC [has advocated for driving funding toward "Priority Populations."](#) the subpopulations of young people most in need of services, regardless of whether they are in school or not. We are grateful that SWAA goes some distance to focus on subpopulations rather than school status, by including in-school young people experiencing homelessness or connected to the justice- or child-welfare systems in the definition of "Opportunity Youth" (OY). *We recommend the Committee further simplify eligibility determination by adopting a Priority Populations framework.*

Funding Directed toward Opportunity Youth

SWAA reduces the amount of funding required to be directed to the newly defined OY category to 65 percent, and makes this requirement applicable to states, rather than each local area as outlined in current statute. Even before WIOA increased the required spending on out-of-school youth (OSY), many urban areas had chosen to focus their resources on out-of-school young people. While increasing state flexibility and acknowledging variability within states have their advantages, *NYEC is concerned that, under this regime, rural areas of states will further reduce their spending on OSY/OY.*

Mental Health

The workforce system can provide an important gateway to addressing mental-health issues that present barriers to educational completion and success in the labor market – but awareness of the allowability of referral and support for mental-health services varies – statutory language is needed. *We recommend amending Sec. 129 (c)(2)(J) to read, "Comprehensive guidance and*

counseling, including mental-health services and referral, and drug and alcohol abuse counseling and referral, as appropriate.”

Self-Attestation and Documentation

We appreciate the statutory requirement to use self-attestation for young people experiencing homelessness and connected to the foster care system. The populations that federal workforce programming is designed to serve are less likely to have documentation required for eligibility verification; self-attestation enables programs to serve more young people with less burden. *We recommend that self-attestation or presumed eligibility be the norm for all federally funded youth workforce programs.*

Wage Subsidies

Regarding wage subsidies - Youth employment programs work best when employers have skin in the game and are contributing to the wages of young people. SWAA caps the amount of wage subsidy at 50 percent. This limit takes away an important tool for programs to support young people with little work experience, or with multiple barriers to employment, in accessing employment.

Work Experience

SWAA doubles, to 40 percent, WIOA’s statutory requirement for spending on work experiences. In limited outreach to our members, we heard from a state agency and two CBOs that are spending around 30 percent on work experience at the moment. While we share an interest in connecting young people to work as a focus for the formula program, the youth program already contains many statutory requirements and limited flexibility, especially in relation to its funding. *We recommend that the work-experiences requirement remain at 20 percent.*

Reentry Employment Opportunities (REO)

SWAA codifies the longstanding Reentry Employment Opportunities programs (REO), a positive step to ensure this program’s future.

Because of its tendency to shut out smaller programs without sufficient cash reserves, *we recommend removing the requirement related to pay-for-performance contracting or replacing it with a priority in awarding funding.*

Picking up on NYEC’s [WIOA recommendations](#), *we recommend that the REO program emphasize what SWAA calls “fundamental workforce readiness skills” equally with skills development and employment.*

Finally, under current law, REO implementation is complicated by differences in state determination of adults: for example, young people may lose eligibility for services at age 18 if their state ceases juvenile court jurisdiction at that age. *We recommend the inclusion of statutory age eligibility from the state-defined earliest age of court jurisdiction through age 24.*

Strengthening Community Colleges Workforce Development Grant (SCCWDG) Program

Community colleges are a valuable part of the workforce development ecosystem, and valuable partners for the community-based organizations that serve OY. Because the most effective programs and supportive services available to OY are delivered by community-based organizations, *we recommend CBOs as required partners for this grant.*

We also recommend that SCCWDG prioritize programs that combine skill development, supportive services, and credentials in consortia that include community colleges and community-based organizations – as well as ones that are, or will seek to be, listed on the ETPL. These partnerships are happening but should be much more widespread. The federal government can supercharge these effective partnerships and demonstrate their impact.

Partnerships with integrated education and training (IET) models funded under WIOA Title II should also be prioritized.

We hope that a permanent SCCWDG will encourage more community colleges to offer workforce programs, to collect more participant data, to become more familiar with WIOA performance measures, and to generally work more closely with WIOA-authorized programs.

YouthBuild

We are pleased to see the new reservation of 20 percent of YouthBuild funds for rural areas and Native American reservations.

We appreciate the statutory allowance for spending on food – and we recommend that similar language be included for formula programs. DOL has issued guidance related to expenditures on food, but barriers (i.e.: lack of awareness of this guidance, state regulations, constraints of non-Federal funders) impede action on this common problem facing programs. Statutory language making clear that food is an allowable expense for WIOA formula programs is a simple change that would improve program quality.

Demonstration Authority

In an acknowledgement of the underfunded and patchwork nature of workforce development opportunities in small and rural states, the Committee has chosen to create a new opportunity for small and rural states to blend Federal funds in Sec. 193 of SWAA. *Blending funds in the way described in section 193 could significantly reduce the number of OY with access to any services; NYEC encourages Congress to appropriate sufficient funds to ensure high-quality programming is available to young people in small and rural states.*

Other Matters

Co-Enrollment

While an aim of federal workforce legislation, co-enrollment (especially between WIOA Youth participants and the Adult program) has lagged. More encouragement in the statute is needed to

make co-enrollment happen. This is made more important by SWAA's emphasis on ITAs as a vehicle for growing access to skill development. *We recommend automatic co-enrollment in the Adult system for WIOA Youth participants, complemented by required cross-training on co-enrollment, such as an addition to Sec. 101 (d)(3)(G), "including co-enrollment processes."*

Data

SWAA offers the opportunity to finally require that every state institute a statewide longitudinal workforce data system linked to other closely related systems, including K-12 systems at the state level, state-level HMIS data on those experiencing homelessness, and the wage-records system. Statewide systems should be easily accessible to the public and should integrate well community- and program-level systems already in use.

Bipartisan Workforce Pell Act

In general, NYEC supports more funding for short-term programs, as called for in the Bipartisan Workforce Pell Act. The need for more short-term programs, and more financial aid to flow to these programs, is great.

For this bill to be successful on its own terms, community colleges need to 1) offer programs that meet the criteria, 2) get these programs designated as eligible under BWPA, 3) raise awareness about these programs to students, and 4) ensure provision of supportive services that will help students meet the ambitious completion and placement benchmarks established in SWAA. We are concerned that, as written, the bill will be difficult to implement, and few students will ultimately benefit.

We laud the desire to hold postsecondary programs accountable to outcomes, to require institutions of higher education to collaborate with local workforce boards, and of course to expand the inventory of industry-relevant short-term skill development programs. However, the measures and targets expressed in BWPA, especially the return-on-investment requirements, will likely prove a great barrier to program uptake among institutions that feast on Title IV funding for their "traditional" programs.

We recommend:

- *That completion and placement rates be tied to those of comparable programs (perhaps programs that result in the same credential in the same state), rather than an arbitrary figure*
- *The removal of the value-added earnings provision, and*
- *The creation of a public-education campaign focused on this program, to enhance enrollment in eligible programs.*