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Introduction

Chairman Owens, Ranking Member Wilson, and distinguished members of the Subcommittee, thank you for the opportunity to testify before you today. It is an honor to discuss a topic vital to America's continued growth and prosperity: our ability to build and sustain a skilled workforce.

With my testimony today, I would like to highlight three areas where I respectfully believe Congress could fulfill its mission to increase opportunities, enhance accountability, and improve outcomes across the public workforce system. First, we must acknowledge and incentivize State and Local Workforce Boards to overcome perceived and real challenges to innovation; second we should hold the U.S. Department of Labor, State Workforce Agencies, and Local Boards accountable for their poor performance across a multitude of workforce programs; and third, Congress should explore targeted clarifications and changes to the Workforce Innovation and Opportunity Act - known as WIOA - to ensure skills development in the system is aligned with the needs of employers.

This written testimony explains in greater detail the challenges, performance failures, and areas for improvement in our public workforce system. It expands upon the statement I made to the Subcommittee highlighting that the significant under performance and failures at multiple levels of our workforce system are jointly the fault of local, state, and federal partners.

Local Role

Local because the infrastructure, as it exists, is present at the local level with more than 550 local workforce boards operating more than 2400 American Job Centers or AJCs across the country. The public workforce system's reliance on in-person services fails to "meet the customer where they are" and deliver services in the most timely and efficient manner possible. With the explosion of virtual meetings during the pandemic and the increasing prevalence of smart phones and SMS messaging, the workforce system must adapt to on-demand, virtual service delivery for the job seeker. In addition, the majority of WIOA funds pass through the State and land with Local Boards as subgrantees, so it is incumbent on

Local Boards to leverage multiple workforce programs to better coordinate and provide services across those programs. Slowly we see Local Boards utilizing technology to create a common front door for all job seekers, regardless of program, and this “no wrong door approach” is starting to show progress. But more needs to be done as job seekers can be overwhelmed with dozens of workforce programs, each with their own website, eligibility rules, and performance measures.

State Role

States share responsibility because the Governor and State Board set the strategic direction for the state workforce system and have a critical role in negotiating levels of performance, maintaining a list of eligible training providers, and fostering alignment across workforce programs. To date, no State – not even Utah, which has the strongest Statewide integration of workforce programs – has fully achieved the promise of WIOA.

During both my time running Kentucky’s State Workforce Agency, as well as my tenure running the Federal Workforce Agency, we advocated for a “one workforce solution” to the myriad of employment and workforce programs. Imagine a coordinated, collaborative, efficient public workforce system that consistently changes lives for the better. Unfortunately, we’re not there yet. Instead, there are more than 40 different federal workforce development programs scattered across multiple cabinet-level agencies. And billions of dollars in annual budgets flowing toward disparate, and sometimes contradictory, goals for workforce customers. For more than fifty years, the public workforce system has been working toward conceptual alignment but with very little forward progress. In the meantime, it is workforce system customers who pay the price when trying to navigate a confusing web of bureaucracies and service providers.

Federal Role

At the Federal level the Department of Labor’s Employment and Training Administration must reorganize to simultaneously be more engaged with State Workforce Agencies as states explore integration and innovation, while also holding states and other grantees more accountable to delivering positive outcomes from the billions of dollars awarded annually through formula and discretionary grants. Finally, Congress must provide more rigorous oversight to ensure that DOL is performing its critical role in fostering an environment for rapid skills development. Congress has a unique role here and today’s hearing demonstrates your willingness to press for improved performance and accountability across the system.

Having said that, we must resist the urge to look for the silver bullet to address our Nation’s workforce challenges. Almost never are complex problems resolved by pulling a single lever, utilizing a particular flexibility, or holding a single hearing. Rather we must look across the broader workforce system and understand how poor leadership, outdated technology, incomplete data, and a disjointed patchwork of Federal workforce programs allows too many in the system to do what they have always done, which for decades employers have told us is not enough.

WIOA Challenges and the ETPL

As currently constituted, too much of our workforce funding goes to cover overhead and an obsolete brick-and-mortar delivery system. For example, WIOA allows the Local Boards to expend 10% of all WIOA funds on administration, while up to 15% can be cordoned off by the State for the Statewide Reserve (or Governor's Reserve) which includes an additional 5% for Statewide administrative costs. Given the extremely broad authority for allowable expenses under the Reserve, this means up to one quarter of all WIOA funds may never reach the job seeker and this figure does not include overhead like rent, staff, and equipment.

Couple that with a "train and pray" model where incomplete and outdated labor market information pair with the lack of reliable performance data for most eligible providers to prevent a greater emphasis on job-attached or employer-driven skills development. Nowhere is this more apparent than in the Eligible Training Provider List or ETPL. The ETPL contains more than 75,000 WIOA-eligible skills development programs across the country with little to no demonstrated repercussions for poor outcomes. We know this because the WIOA data¹ tells us that only 34.6% of WIOA Adults who receive WIOA skills development are placed in a job related to that program. The percentage drops to 34.2% for dislocated workers and 20.8% for Youth. If we look at DOL's WIOA Data Book for Program Year (PY) 2021², we see more examples of poor performance as evidenced by 14% of all credentials attained using WIOA upskilling funds were for high school equivalency/diplomas. This percentage skyrockets to 51% for Youth credentials. Using limited WIOA training dollars for K-12 education that can be covered by other federal dollars is inefficient. We must learn to coordinate education and workforce programs to ensure that each federal or state program is used in the most targeted and efficient manner.

During my tenure at DOL, we created the website trainingproviderresults.gov³. This site was our attempt to demonstrate to States that we were serious about the quality of skills development provided under WIOA and signaled our intent to hold states and their eligible providers accountable. Regrettably, the site has been plagued by inaccurate and in most cases a total lack of data. For example, if we look at two particular ETPL programs from the State of Kentucky, we see that a "BS Nursing – Louisville" reported 1940 participants enrolled, 62% completion rate, 3% employment rate and wages of \$24,945 per quarter. On the other side of the spectrum we see a "Medical Nurse Aid – Ashland" with 51 enrolled, 100% completion rate, 100% employed, and wages of \$50 per quarter. If this data is taken at face value, these two programs confirm my assertion that ETPL programs are not being monitored or held accountable for either the accuracy of their data or their overall program performance.

Another performance issue related to the ETPL is the number of approved programs compared to the number of WIOA participants receiving skills development. The *Project on Workforce at Harvard* recently issued a report⁴ highlighting many of these same concerns. As outlined in the report, according to trainingproviderresults.gov the State of Washington listed 5,506 WIOA eligible programs. The issue becomes apparent when you look at the last year that Washington reported WIOA data to DOL. In PY

¹ [PY 2021 WIOA Annual Performance Summary](#)

² [DOL PY 2021 WIOA Data Book](#)

³ <https://www.trainingproviderresults.gov/#/>

⁴ [Navigating Public Job Training](#)

2021, the State of Washington reported that 5,186 WIOA participants received skills development. The presence of MORE eligible programs than those participating in upskilling also existed in Missouri which listed 3,670 eligible programs, with only 3,583 participants receiving skills development.

Finally, most Local Boards – and I do not include Northeast Florida in this group - fail to maximum job-attached skills development flexibilities that currently exist in WIOA such as “customized training”, “incumbent worker training”, “on-the-job training”, and apprenticeship programs. If we look across WIOA, the Data Book tells us that more than 220,000 WIOA participants received “training services”, but just under 15,000 received “on-the-job training”, just under 2,900 received “customized training”, and just over 2,300 received “incumbent worker training.” This means less than 10% of all job seekers who received WIOA skills development are placed into one of these proven job-attached and employer driven skills development programs.

For their part, Governors and State Workforce Agencies often don't set high enough standards for performance and rarely hold Local Boards accountable. In addition, the States conduct insufficient oversight of their state's ETPL and often fail to exercise existing staffing flexibilities designed to aid in program coordination. This lack of accountability is also present in the Data Book when one looks at the “weeks participated” and “weeks in training” reported by the States. These values represent how long an individual is enrolled in WIOA and receiving either basic or intensive services, as well as the number of weeks participants are enrolled in WIOA skills development. Nationwide in PY 2021, there were 46,516 participants enrolled in WIOA for more 104 weeks or two years. During that same year, there were 24,603 WIOA participants who were enrolled in skills development for more than 53 weeks. In an economy with more than 9 million job vacancies, we need to ask ourselves whether it makes sense for job seekers to be enrolled in WIOA for more than two years and/or enrolled in skills development for more than one year. Greater inefficiencies come to light when we look at the percentage of WIOA participants who complete their upskilling programs. Across the three WIOA programs – Adult, Dislocated Worker, and Youth – the percent who complete their upskilling programs never exceeds 80% (75.3% -Adult, 79.9% -Dislocated Worker, 73.9% -Youth). This means one in five WIOA participants placed in upskilling drop out for one reason or another.

The final point I would like to make on skills development has to do with the sector strategies, industry pipelines, and cross-program coordination that are essential to provide skilled labor to our ever-evolving economy. If we look at an occupation that is popular with Local Boards, “transportation and material moving” we see some troubling data. According to the USDOL, “Heavy and Tractor-Trailer Truck Drivers” has the 13th most annual job openings for the 10-year period of 2021-2031.⁵ We can all agree that transportation and truck drivers are integral to the movement of goods and the functioning of our economy, but perhaps we should reevaluate whether the occupation with the 13th most annual job openings over the next decade warrants a disproportionate percent of WIOA skills development dollars. To put this into context, of the Adult WIOA participants who exited the program receiving “some training” 18,096 or 30.7%⁶ of all Adults were received upskilling for occupations in “Transportation and material moving “. For Dislocated workers the data were 11,342 or 22.2% and 2,250 or 15.3% for Youth.

⁵ <https://www.careeronestop.org/Toolkit/Careers/careers-most-openings.aspx?&curPage=2>

⁶ Data Book

It is clear that we are responding to the needs of one sector, but in order to serve as the engine for economic growth, WIOA must provide skilled workers for all high-growth, targeted sectors.

Increasing Accountability

The push for greater accountability is commendable and critical, but we must ensure it is possible. There is an inherent conflict in WIOA between the idea of accountability and the actual tools of accountability. The conflict exists between wanting local leadership to drive the vision and direction of their local economy with the reality that WIOA lacks the tools for States to change local leadership when warranted. DOL and Congress should work to make performance expectations more clear for Local Boards, while providing more mechanisms for states to make changes at the local level should the Local Boards fail to meet those expectations.

My old employer, the Department of Labor must also be more aggressive to create a workforce system welcoming and inviting of innovation and creativity to address the lack of skilled workers produced by the system. As currently constituted, the Department lacks the talent, technology, structure, and appropriate resource allocation to provide both assistance and accountability to grantees. Although sanctions authority for DOL exists in WIOA, it has never been successfully exercised and even if it was, the penalty is de minimis.⁷

WIOA Changes and Limited Reauthorization

Now that we have identified the challenges and performance failures of all levels under WIOA, let us now turn our attention to areas for clarification or reauthorization. It is important to note that most of the failures under WIOA are implementation and leadership shortcomings, as opposed to failures in language and drafting of the law. Given my experience and background, I strongly advise against a full overhaul of WIOA. I believe tailored changes could transform WIOA as much or more than a full overhaul. Reason being is as we approach the 9th anniversary of the passage of WIOA, DOL is currently hosting webinars entitled “Yes, WIOA Can” to explain what the State and Local Boards can do under the law. This lack of adoption and implementation by the States is only exacerbated by the fact that DOL is yet to finalize the last of the common measures looking at “Effectiveness in serving employers.” DOL has published a proposed rule⁸, but the actual performance measure is not final even though WIOA was signed into law in July 2014.

As Congress looks to update WIOA, a new and innovative approach will require an expansion of the pilot and demonstration authority so States and Local Boards are encouraged and incentivized to try novel approaches. One such approach that is currently available under the Indian and Native American (INA) program is the ability for tribal and native American grantees to block grant all workforce dollars under

⁷ [20 CFR 677.195](#)

⁸ [Federal Register Notice](#)

Public Law: 102-477.⁹ This law, signed in 1992, allows tribes and native American grantees “to coordinate, in accordance with such plan, its federally funded employment, training, and related services programs in a manner that integrates the program services involved into a single, coordinated, comprehensive program and reduces administrative costs by consolidating administrative functions.” The idea of block grants is not new in workforce, but allowing States the ability to undertake the practice has yet to become a reality.

Finally, if WIOA is to increase opportunities, enhance accountability, and improve outcomes, we will need to revisit the WIOA common measures. For discussion purposes, would we not be better served with the measures that focus on:

- increasing the labor force participation rate;
- tracking the relative change in wages of participants (pre WIOA enrollment, post WIOA exit);
- determining the cost per positive outcome (positive outcome meaning stackable credential, certificate, or unsubsidized employment);
- tracking the percent of funding expended for job-related skills development; and
- expanding the proposed “employer measure” to include retention with same employer, in same occupation, same sector as upskilled.

These measures would signal to the workforce community that the most important outcome for any workforce program is as easy as A-B-C: helping the job seeker find **A** job, getting a **Better** job, and leading them to a **Career**.

Conclusion

I applaud the Subcommittee’s efforts and commitment to hold hearings such as this to shine a light on the issues. I look forward to the question-and-answer session where we will have more opportunity to discuss actions Congress and the other workforce partners must take to drastically improve the level of skill development across the country.

In closing, I welcome the opportunity to provide technical assistance to Congress on these legislative issues. Thank you for your commitment to building a “stronger workforce system by listening to the needs of job creators, delivering upskilling opportunities to workers, and holding skills education programs accountable for their performance.”

I am happy to answer any questions you may have.

⁹ [Public Law 102-477](#)