



THE UNITED STATES CONFERENCE OF MAYORS

1620 EYE STREET, NORTHWEST
WASHINGTON, D.C. 20006
TELEPHONE (202) 293-7330
FAX (202) 293-2352
URL: www.usmayors.org

December 19, 2023

The Honorable Virginia Foxx
Chairwoman, House Committee on Education and the Workforce
U.S. House of Representatives
2462 Rayburn HOB
Washington, D.C. 20515

Robert ("Bobby") Scott
Ranking Member
House Committee on Education and the Workforce
U.S. House of Representatives
2462 Rayburn HOB
Washington, D.C. 20515

Dear Chairwoman Foxx and Ranking Member Scott,

On behalf of The U.S. Conference of Mayors and the nation's mayors, we want to thank you for your bi-partisan work to renew and improve the nation's workforce system by introducing HR 6655, "A Stronger Workforce for America Act" (ASWA) to reauthorize the Workforce Innovation and Opportunity Act (WIOA). With America currently facing a worker shortage crisis, it is critically important that Congress reauthorize federally funded job training programs that work, and promote an agenda of smart, sustainable investments in the nation's workforce to ensure continued economic growth.

Despite our significant concerns regarding the bill's local workforce area redesignation proposal, there are many elements of the bill that mayors believe will positively impact the local workforce system and create better career opportunities in cities. Accordingly, we applaud the following changes in reauthorization:

1. Creating a new definition of "opportunity youth" to replace "out-of-school youth" thereby providing greater flexibility at the local level to serve young people, including the ability to respond to local needs by requiring 65 percent of youth funds statewide be dedicated toward serving opportunity youth.
2. Codifying the Reentry Employment Opportunities program to improve the reentry of justice-involved individuals and help them transition back to meaningful employment, while identifying and disseminating effective strategies to improve outcomes and reduce recidivism.
3. Allowing local workforce boards to serve as one-stop operators in certain circumstances, along with improved flexibility to utilize virtual services and affiliated sites to deliver one-stop services.
4. Removing the cumbersome requirement that local boards negotiate an "infrastructure funding agreement" with one-stop partners and defaulting to the state infrastructure mechanism to effectively allocate costs by proportionate use; while still providing local boards the flexibility to develop supplemental agreements for any additional expenses that may remain.

5. Streamlining of the eligible training providers (ETPL) list to change how ETPs are identified and what criteria can be used to establish and maintain provider eligibility. Mayors appreciate this added flexibility in that the overhaul aligns with the skill and hiring demands of employers by focusing eligibility on employment outcomes; and providing ways for newer programs to receive eligibility under a performance-funding model.
6. Establishing data transparency requirements that will dramatically improve workforce data quality and use by a number of key workforce stakeholders.

While we commend your efforts to improve flexibility in ASWA, we are disappointed by the legislation's funding levels. The local workforce system has long been woefully underfunded, with historic levels of disinvestment in WIOA over the last several decades — the very reason that current levels of training under WIOA remain low. Yet ASWA proposes only moderate increases in authorized appropriations for Title I funding. While mayors appreciate new funding in the legislation from H1B visa fees intended to help offset training costs, these funds are variable on an annual basis and difficult to predict. The nation's mayors urge you to provide adequate funding increases in reauthorization to position local workforce boards (LWDBs) to scale up workforce development programs and keep up with the demand the Infrastructure and Investment Act (IIJA), CHIPS and Science Act, and Inflation Reduction Act will create, in addition to preparing workers for other high-growth, high-need industry sectors.

We also look forward to working with you to address other provisions that would impact effectiveness and innovation at the local level. It is critically important that reauthorization be attuned to the unique and specific needs of our local communities. For this reason, the nation's mayors raise the following as significant concerns in the bill:

1. Redesignation of Local Workforce Development Areas (LWDAs) —

The proposed redesignation process in ASWA would stifle flexibility and innovation, the key building blocks of a demand-driven workforce system. Historically, local workforce development areas were created in order to customize services to meet the needs of local employers and job seekers. Mayors well know that local business engagement is critical to developing effective employer-responsive programs and meet community needs. The voice and needs of the local business community must remain at the forefront of workforce development strategies. The proposed redesignation language would do the opposite — leaving the door wide open for Governors to adversely impact the geography of all LWDAs in a state, even if a majority of local workforce development boards (LWDBs) in the state voted against the proposal. This would drown out the voice of local job seekers and employers, with the potential to eventually meld all LWDAs areas into single state-wide areas. Furthermore, expecting regions to be static, as they would be in the proposed legislation, is not realistic. Local areas need to be able to form regional strategies with their neighbors to the north, south, east and west depending upon where growth or lack of growth is found, and not be locked into a partnership that only works for a short time or for a particular initiative.

2. Fifty-Percent Training Requirement —

ASWA requires that no less than 50 percent of the workforce funds allocated to a local area be used to provide eligible individuals with skills development through an ITA (or a contract with an employer or provider). This requirement also impedes flexibility and innovation by limiting the ability to remain responsive to rapidly changing dynamics in cities. Local workforce boards best understand the unique employment needs of their diverse communities by virtue of their proximity to the people being served. This must be prioritized in a publicly-funded workforce system to effectively serve employers and also meet worker needs. A federal mandate removing agency from local entities has the opposite effect, potentially preventing individuals who most need workforce supports from accessing the very services and resources they need to successfully complete training.

3. Increased Governor's Set-Aside for "Critical Industries Fund" —

ASWA authorizes states to make an additional reservation from the state's adult, dislocated worker, and youth allotments of up to 10 percent to establish a Critical Industry Skills Fund, increasing the allowable percentage reserved by the Governor of all WIOA Title I formula funding to 25 percent. Although LWDBs are eligible to apply for some of these funds, this change will further reduce local resources available to deliver the very training services newly mandated by ASWA. Further, ASWA allows other federal funding, including the Governor's existing 15 percent reserve funding, to be used to meet the state's matching requirement for the creation of the Critical Industry Skills Fund. This will only serve to further reduce the ability to use the federal investment to leverage additional state funding for training and employment opportunities for workers.

In closing, we again commend you for your efforts to produce a bi-partisan bill that strives to address the needs of both workers and businesses. The U.S. Conference of Mayors stands ready to work with you and your colleagues in Senate to address our concerns and move the many positive elements in this critical legislation forward to ensure that the nation's workers have the necessary skills, and that employers have access to the skilled workforce they need, to compete in the 21st-century economy.

Sincerely,

A handwritten signature in black ink that reads "Tom Cochran". The signature is written in a cursive, slightly slanted style.

Tom Cochran
CEO and Executive Director