Improving Skills Through America's Workforce Development System

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Executive Summary

Policymakers at the state and federal levels have expressed concern over the emerging "skills gap"—the mismatch between the job skills employers are looking for and the skills that applicants in the labor market possess. The skills gap is most acute for middle-skilled jobs; that is, jobs that require training beyond high school but less than a four-year college degree program. According to analysis by the National Skills Coalition, middle-skilled jobs account for 53 percent of the United States labor market, yet only 43 percent of the labor force is trained to the middle-skill level. Some estimates have concluded the skills gap costs the US economy $160 billion annually in terms of unfilled labor output, reduced productivity, and depressed earnings.

To address these labor market challenges, many have turned to America's workforce development system. Recent efforts from Congress and the White House confirm that policymakers are serious about expanding job-training opportunities. But even with the heightened focus, a shockingly small percentage of individuals leveraging the workforce system combine available Department of Labor training funds with money from other federal and state programs—despite that many more might qualify for additional aid. Incongruent bureaucratic processes commonly inhibit the effectiveness of workforce training, and policy requirements are not clearly communicated to training seekers, financial aid administrators, and private entities.

If the goal is to increase the number of job seekers that participate in high-quality training programs, more can be done to improve the coordination between the Department of Labor and these groups. This report offers recommendations for enhancing the federal workforce development system by reviewing and identifying inefficiencies in the current system. It concludes by forwarding several policy suggestions aimed at improving the way that Workforce Innovation and Opportunity Act funding is used by job seekers and training providers.

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Policymakers at the local and federal level have expressed concern over the "skills gap"—the mismatch between the job skills employers are looking for and the skills that applicants in the labor market possess. Economists have cited many reasons for the gap.[1] Jobs that require routine tasks are increasingly automated, technological innovations have contributed to a greater demand for specialized workers, and globalization trends have led some companies to relocate oversees. The skills gap is most acute for the middle-skilled jobs; that is, jobs that require training beyond high school but less than a four-year college degree program.[2]

Even with today's historically low unemployment rate, approximately 6.3 million unemployed individuals are looking for work, and another 4.6 million workers are in part-time jobs even though they would prefer full-time employment.[3] Meanwhile, the Department of Labor reports over 6.7 million unfilled job openings in the economy today.[4] Why are interested job seekers unable to fill these available jobs?

Researchers at Harvard University find that many of these job openings—such as health care, transportation, retail, and production—require workers with middle skills.[5] Estimates from the National Skills Coalition suggest that up to 53 percent of jobs require middle-skills workers but that only 43 percent of the labor force has that level of training.[6] In the years ahead, the Department of Labor estimates that health care jobs will be among the occupations in highest demand. These jobs often require interpersonal skills, are not easily automated, and usually necessitate more training than a high school education.[7]

Employers and workers would do well to begin thinking about the coming shifts in the economy since the shortage of qualified workers can create real economic costs. Some estimates have concluded the skills gap costs the US economy $160 billion annually in terms of unfilled labor output, reduced productivity, and depressed earnings.[8] Technological innovation and more globalized markets could displace a growing number of workers if they are not retrained with skills needed for the modern economy. The Organisation for Economic Co-operation and Development estimates that in the next two decades, roughly 35 percent of American jobs could be at risk of being automated or requiring markedly different skill sets.[9] While automation can create new jobs, those jobs commonly require higher levels of training.

With these labor market challenges, many have turned to America's workforce development system to reequip job seekers with needed skills to put them back to work. In fact, policymakers have already taken some actions to address the skills gap. In 2014, Congress reauthorized the Workforce Innovation and Opportunity Act (WIOA), the primary federal legislation that supports workforce training. Recent efforts from the White House confirm that policymakers and business leaders are serious about expanding job-training programs. President Donald Trump has increased annual federal funding for

What Is Workforce Development?

Workforce development refers to job-training services to enhance the skills and employment opportunities of workers. Workforce development can be offered through public programs (such as American Job Centers) and private entities (such as employer-sponsored training). Workforce development attempts to connect job seekers to educational classes, apprenticeships, and other on-the-job training programs. It also provides information on local job openings, application assistance, interview preparation, employer engagement, and job referral programs. Together, this two-pronged system—providing both technical training and labor market information—helps equip Americans with the skills and information needed to participate in the labor force.

apprenticeships from $90 million to $200 million, established an apprenticeship task force, and signed several executive orders to help strengthen partnerships among employers, training providers, and job seekers.[10] More recently, Trump proposed combining the Departments of Education and Labor to be the "Department of Education and the Workforce," reiterating the administration's vision that the purpose of education is to not only learn but also prepare workers to participate in the labor force.[11]

While more focus is now on the workforce development system, training seekers still face difficulties combining federal aid available through the Department of Labor for training with other sources of funding. A shockingly small percentage of individuals leveraging the workforce development system combine Department of Labor training funds with student aid programs issued through other federal and state agencies, even though many more might qualify for additional aid, such as Pell Grants or career and technical education state grants. In many cases, this is because incongruent bureaucratic processes inhibit the effectiveness of workforce training, and policy requirements are not clearly communicated to training seekers, financial aid administrators, and private entities.

If the goal is to increase the number of workers participating in high-quality training programs, more can be done to improve the coordination between the Department of Labor and these groups. Accordingly, this report offers recommendations for enhancing the federal workforce development system. It begins by describing the workforce development system, including its size, number of participants, available services, eligibility requirements, and program providers. In the second section, the report identifies inefficient and counterproductive policies and offers possible improvements. With a balanced approach, WIOA can be enhanced so that job seekers better use available funding and engage in a healthy marketplace of workforce development and training providers.

Origins of the Federal Workforce Development System

The federal workforce development system supports state and local agencies with the collective goal of training (or retraining) workers with industry- or trade-specific skills. The federal government has had a long history of providing workforce training. The impetus for federal involvement dates back to the market failure during the Great Depression, when over 20 percent of the workforce was unemployed.[12] Congress enacted the Wagner-Peyser Act of 1933, which established the first federal workforce training programs.[13] In that era, funding for training was channeled to small, hyper-localized employment centers to help displaced and unemployed workers transition to new occupations.

The workforce development system has been modernized throughout the 20th century. This includes the Manpower Development and Training Act of 1962, the Comprehensive Employment and Training Act of 1973, and the Job Training Partnership Act of 1982. These laws united many different job-training programs while also decentralizing services to give states and local agencies more freedom to design and operate training programs that fit local needs.[14] During this time, training providers began to focus workforce development services for jobs that were in high demand by employers.[15]

The current federal workforce development system has roots in the Workforce Investment Act (WIA), passed in 1998, which consolidated local workforce development centers throughout the country into a nationalized network, now called the American Job Centers. WIA also created a voucher system in which training seekers could use federal funding to pay for eligible training services of their choice.[16]

In 2014, Congress reauthorized WIA as the WIOA to improve "the structure of and delivery of services through the United States workforce development system to better address the employment and skill needs of workers, job seekers, and employers."[17] WIOA attracted bipartisan support, passing the Senate with 95 votes.[18] The reauthorization made several notable improvements to the workforce system, such as allowing states to produce a single unified workforce plan and enabling providers to report common performance metrics. WIOA took effect on July 1, 2015, and is authorized through 2020. In the Consolidated Appropriations Act of 2018, about $4.8 billion was allocated for WIOA programs and services.[19]

Private Workforce Development and Training

The current federal workforce development system aims to provide training services in a comprehensive manner, but the government is not the only sponsor. In fact, the majority of spending that goes toward workforce training comes from private employers.[24] Seventy percent of US firms report offering some type of formal employee training, collectively costing them $177 billion per year.[25] These *formal* training programs occur in a workplace setting, are planned in advance, and follow a defined format or curriculum.

In addition to formal training, employers reportedly spend another $413 billion in *informal* training programs.[26] Unsurprisingly, informal training

The Benefits of Training

Training can create large benefits for firms and employees, but those benefits largely depend on the quality of training offered. The strongest economic research shows that training can lead to higher worker productivity and reduced turnover.[20] This reduces costs for firms and results in higher production and revenue. Training can also lead to higher hourly wages for workers, but this is not always the case.

Research is mixed on how training affects workers' earnings and job placement.[21] Recent reporting has called attention to federally sponsored training programs that consistently report poor outcomes for participants, and, in many cases, training participants from these programs land in jobs that they could have qualified for without training.[22] Encouraging the proliferation of low-quality programs is not what anyone has in mind when advocating for expanding workforce training and development services.

At the same time, programs that help chronically unemployed individuals reenter the labor market play a valuable service, even if outcomes might be lower than what some would desire. As one specialist explained, "If these populations were easily employable, they would already have jobs."[23] Offering skills to individuals with no earnings that helps move them into relatively low-income jobs is still upward mobility that society should reward. These jobs can start workers on career paths, take them off state welfare rolls, and potentially provide skills necessary for a changing labor market.

A point of contention is how much we should spend per training recipient for these outcomes and if certain types of training actually lead to long-term benefits for workers. With that in mind, this report primarily focuses on the amounts, types, and recipients of training, rather than the quality of training and outcomes of participants—although both the amount and quality matter for improving America's workforce development system.

happens much more frequently, since it is unstructured, unplanned, and often occurs through commonplace work experiences. Researchers find that roughly 70 percent of all employer-sponsored training is informal training, while the rest is offered in a formal setting.[27]

Despite some reports suggesting that employers are cutting back on workforce training, employer spending on formal training programs has actually increased over time.[28] After controlling for inflation, analysis from Georgetown University's Center on Education and the Workforce found that private spending on training increased by 26 percent between 1994 and 2013.[29] While employer spending on training has gone up in recent decades, fewer employees seem to be taking advantage of it.

A 2015 Council of Economic Advisers report found that, on average, the percentage of workers who received employer-sponsored training declined by 8 percent between 1996 and 2008. That report found that only 11 percent of workers received employer-sponsored training in 2008.[30] However, a 2014 joint report from the Departments of Labor, Commerce, Education, and Health and Human Services reported that approximately a quarter of all employees received formal training from their employer.[31] Other older estimates have found that between 35 and 65 percent of all workers received some type of formal employer-sponsored training.[32]

The incidence, intensity, and availability of private training can greatly vary. Researchers have found that the incidence of employer-sponsored training is positively correlated with income and educational attainment. The best available survey data suggest that employees in the top income quartile receive employee-sponsored training 22 percent more often than do employees in the bottom income quartile. Those high-income workers go through approximately 23 hours of training every six months, compared to only four hours for low-income workers.[33]

Similarly, employees with bachelor's degrees or higher receive employee-sponsored training about 30 percent more often than workers with only high school diplomas or less.[34] Large firms (500 or more employees) offer training between 10 and 25 percent more often than small firms (50 or fewer employees).[35] Employee-sponsored training programs for basic or remedial skills are extremely rare, while employee-sponsored training for management, computer skills, safety, teamwork, and sales are more common.[36]

Training programs offered by private companies remain an important component of America's workforce development system, but it is necessary to recognize their shortcomings. By definition, employer-sponsored trainings only benefit those with jobs. Just a small fraction of employers report offering training for prospective hires, meaning that job seekers looking to reenter the labor force or shift industries are usually precluded from receiving employer-sponsored training.[37] Employer-sponsored apprenticeships and internships for middle-skills jobs remain uncommon. In a Harvard survey, less than half of companies reported offering such opportunities.[38] As discussed, employers rarely sponsor training for basic or remedial skills, suggesting that privately provided training is unlikely to help job seekers who have been chronically out of the workplace.

Economic theory and research also reveal limitations of private training. Employee-sponsored training often results in a suboptimal level of training services, for both employers and employees.[39] For example, some low-income workers might not be able to participate in private training programs that require out-of-pocket costs—even though the firm and employee would be better off from receiving the training. Employees also might avoid training if they are unsure that it will lead to tangible benefits, such as higher wages.

Similarly, companies might pull back from offering employer-sponsored training if they suspect the training will cause their workers to be poached away by other firms. In some markets, it is easier for firms to poach qualified workers from other companies if there are not policy or political barriers to prevent such behavior.[40] Survey data suggest that US employers overwhelmingly prefer to hire a qualified employee from another firm instead of training up a current under-skilled employee.[41] Together, these trends suggest that employers and workers rarely factor in the external benefits of training.

The remainder of this report focuses on federal workforce training programs authorized through WIOA, with a particular focus on Adult Services and Dislocated Worker programs, since these services largely focus on providing skills to workers to reenter and stay in the labor force.

WIOA Training Programs and Funding

WIOA offers six core programs that help job seekers access workforce development and training opportunities. These programs include education- and skills-based training classes for adults, literacy services, worker rehabilitation services, and more (Table 1). The Adult Services, Dislocated Workers, Youth Services, and Wagner-Peyser programs are offered through the Department of Labor, while the Adult Education and Literacy and the Rehabilitation Services programs are offered through the Department of Education.

In addition to the six core programs, WIOA requires states to coordinate with 12 partner programs authorized by other federal legislation. WIOA requires these additional partnerships because individuals seeking workforce training may not realize they can qualify for federal benefits through other programs. Partner programs include Carl D. Perkins Career and Technical Education, Community Development Block Grant, Temporary Assistance for Needy Families, and Jobs Plus.[42] If they desire, local workforce administrators can partner with additional programs beyond the 12 required by WIOA, so long as the partnering organization meets basic requirements.

Individuals interested in workforce training can receive comprehensive information on all available programs at one of the nearly 3,000 American Job Centers across the country, which serve as centralized one-stop locations for employment and training needs.[43] These centers are staffed with case managers who help counsel individuals on career and employment opportunities and enroll them in training programs.

A Necessary Government Role

Government involvement continues to be necessary for encouraging workforce development, since the private market alone commonly results in a "suboptimal" level of training participation. In particular, the government is uniquely situated to provide training subsidies for job seekers who have been chronically unemployed or lack basic skills. Government funding for training can encourage those with income constraints to participate in workforce development programs.

However, policymakers should act with caution, since government subsidies can be ripe for gaming if not monitored carefully. Government-funded training programs—such as those offered through WIOA—can result in windfalls for training providers if aid is primarily used to fund overhead costs instead of improving the quality or scope of training services. Actions to increase government subsidies for workforce training should be taken with care to reduce the possibility of gaming, manipulation, and waste.

Not everyone who participates in the federal workforce development system receives training. Many participants just need information about job openings and guidance counseling, and much of this information is provided through on-site caseworkers or self-service. Older estimates under WIA, the previous law, found that about only half of participants who exited Adult Services and Dislocated Worker programs received more than core services in 2007. The same report found that roughly 25 percent of a center's budget was spent on actual training programs.[44] At this time, comprehensive and updated information on these metrics is unavailable.

For those participants who receive actual training, the programs are short term in nature and delivered by caseworkers or through approved outside providers.[45] Under WIA, expenditure per training participant in the Adult Services and Dislocated Worker programs

Table 1. WIOA Core Programs

Adult Services Program

- Offers career and training services to job seekers, including placing participants in a registered apprenticeship program, customized training, or transitional jobs.
- Participants must be at least 18 years old. There is no income cap, but priority is given to low-income and low-skilled individuals and individuals receiving other public assistance.

Dislocated Worker Program

- Offers training, job-search assistance, and labor market information for job seekers and workers who have been laid off.
- Provides career counseling and connects participants to job opportunities in their area.
- Provides supportive services such as transportation and childcare in some circumstances.
- Participants must be at least 18 years old. There is no income cap, but priority is given to dislocated workers or workers in long-term unemployment.

Youth Services Program

- Offers tutoring, alternative secondary schooling, work experience, occupational skills training, financial literacy training, postsecondary education, and information on local and regional labor market information.
- Participants must be ages 14–24. Priority is given to dropouts, homeless youth, and youths in foster care.

Wagner-Peyser Program

- Provides employment exchange services in the form of job-search assistance, job referral programs, and application assistance. Career guidance and job-search workshops are also available.
- All individuals are eligible to participate. Services are provided through staff delivery, online websites, and self-service.

Adult Education and Literacy Programs

- Provide educational classes to help adults learn basic skills, including reading, writing, math, English-language proficiency, and problem-solving.
- Participants must be at least 16 years old. Priority is given to English-language learners, low-income individuals, and immigrants.

Rehabilitation Services Program

- Provides services for individuals with physical or mental disabilities to obtain employment.
- Includes counseling, medical and psychological services, and job training.
- Gives priority to individuals with disabilities, low-income and low-skilled individuals, and individuals receiving other public assistance.

Source: US Department of Labor, Employment and Training Administration, "General Information," www.doleta.gov/programs/general_info.cfm; US Department of Labor, Employment and Training Administration, "Wagner-Peyser/Labor Exchange," www.doleta.gov/Programs/Wagner_Peyser.cfm; US Department of Labor, Employment and Training Administration, "Fact Sheet: WIOA Youth Program," www.doleta.gov/youth_services/pdf/WIOA_Youth_OWI_Fact-Sheet_12_2016.pdf; and Zuzana Jerabek, "Fact Sheet: What Is WIOA Title II and Who Does It Serve?," National Immigration Forum, https://immigrationforum.org/blog/fact-sheet-what-is-wioa-title-ii-and-who-does-it-serve/.

ranged from $3,000 to $5,000.[46] Again, more recent numbers for WIOA are currently unavailable.

In the Consolidated Appropriations Act of 2018, Congress allocated roughly $2.8 billion in grants to states to fund the adult, youth, and dislocated worker programs. Specifically, states were given $850 million for adult employment and training activities, $900 million for youth activities, and $1 billion for dislocated worker employment and training activities. In addition, Congress allocated about $620 million for Adult Literacy and Education programs, $670 million for Wagner-Peyser employment exchange programs, and another $700 million for national partner programs, bringing total funding for WIOA programs to approximately $4.8 billion for the 2018 fiscal year.[47]

Once states receive the federal subsidies, funding formulas are used to distribute money to individual American Job Centers.[48] In general, about 85 percent of appropriated funding is allocated to local areas, and the other 15 percent is held back for statewide programs.[49] The exact funding level for each American Job Center varies by state, but it is typically based on total infrastructure costs (such as building rent, utilities, and equipment), staff expenses, and the number of training participants enrolled through that center. Additionally, WIOA requires that partner programs operating in American Job Centers contribute to the infrastructure costs, although some states cap how much partner programs are required to contribute.[50]

Who Participates in Workforce Training?

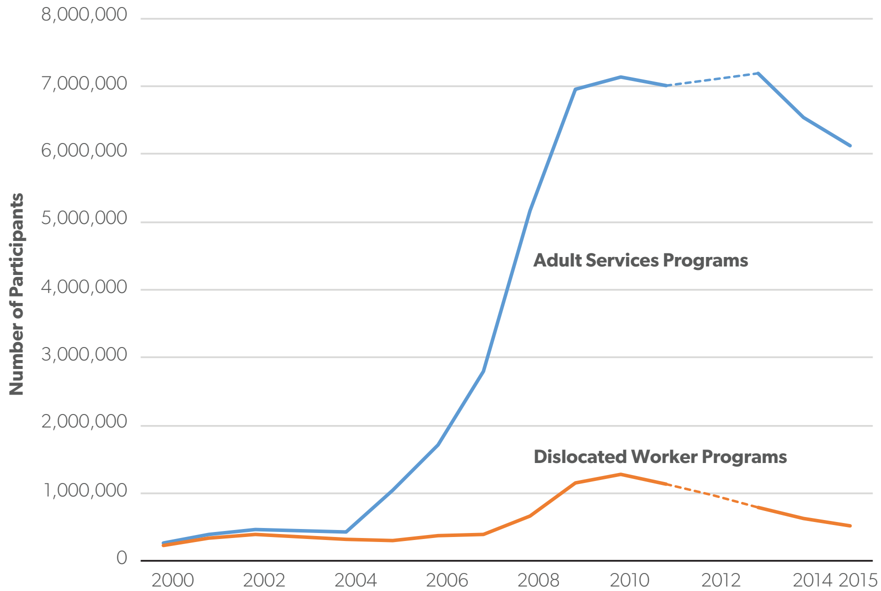
The majority of workforce programs target dislocated workers, out-of-work adults, and individuals in long-term unemployment. Individuals are eligible for WIOA training services based on various factors, including their age and employment status. Services are widely available to any interested participant, but certain programs and funding are prioritized for low-income and unemployed individuals. Some workforce programs cater to specific populations such as nontraditional students, Native American workers, migrants, and seasonal farmworkers. (See Table 1 for more details on eligibility requirements by WIOA program.)

The number of individuals participating in WIOA programs has grown remarkably since the early-2000s.[51] In 2015, about six million individuals participated in WIOA's Adult Services programs, and about 500,000 participated in Dislocated Worker programs.[52] This is a slight decline from 2013, when over eight million individuals participated in WIOA services. Today, participation in the Adult Services and Dislocated Workers programs is much higher than in the early 2000s, when participation hovered around one million participants per year (Figure 1).

Program exit rates have also increased in recent years. "Program exit" simply implies an individual stops receiving workforce development services or participating in training, meaning the participant may or may not have actually completed the program. More data are needed to determine if increased exit rates are due to a rise in program completion or program dropouts. (Therefore, policymakers should be cautious when interpreting exit rate increases, since they do not necessarily suggest improvements in the workforce development system.) Regardless, high exit rates suggest there is a constant flow of new participants trickling through the workforce development and training programs (Figure 2).

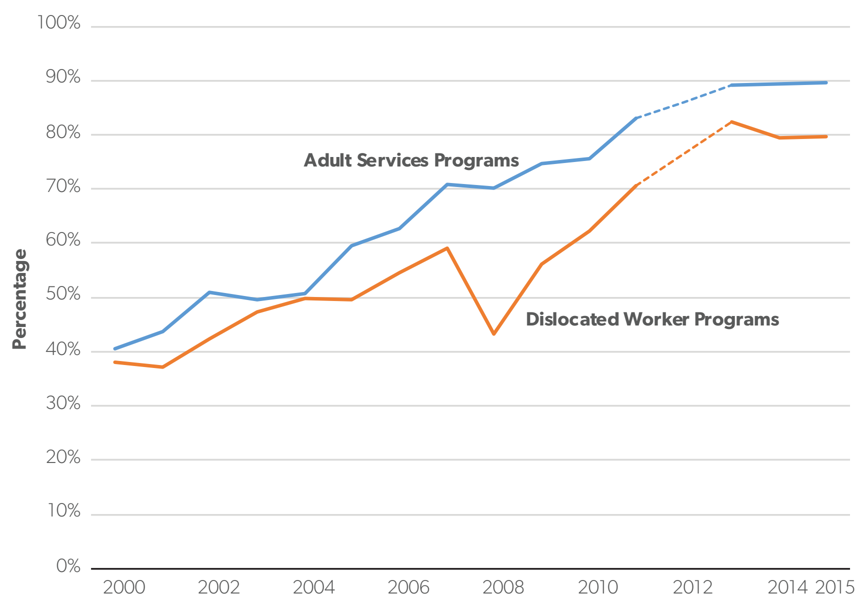
Demographic information of program participants also varies across WIOA programs.[53] Of program exiters in 2015, about 30 percent of trainees in the Adult Services and Dislocated Worker programs were ages 30–44, which was the largest share of all age groups. Trainees ages 45–54 represented the second-largest share, with a little under 20 percent of program exiters coming from this age range (Table 2). The gender breakdown between men and women is fairly balanced. In 2015, 49.6 percent of program exiters were women, and 49.7 percent were men (Table 3). There is substantial variation in the race and ethnicity. In 2015, over half of all program exiters in Adult Services and Dislocated Worker programs were white, and approximately a quarter were black or African American, followed by smaller shares of Hispanics, Asians, and other groups (Table 4).[54]

Figure 1. Number of Participants in Adult Services and Dislocated Workers Programs, 2000–15



Note: Data for 2012 are not available. The dotted line provides a smoothed estimate between 2011 and 2013. Pennsylvania, Utah, and Texas are excluded due to availability.
Source: US Department of Labor, "National Summary of Annual Performance Data," 2015, Table M, www.doleta.gov/performance/results/AnnualReports/annual_report_15.cfm; and US Department of Labor, "WIA State Annual Reports and Summaries," www.doleta.gov/performance/results/WIASRD_state_data_archive.cfm.

Figure 2. Exit Rate of Adult Services and Dislocated Workers Programs, 2000–15



Note: Authors' calculation based on Department of Labor data on program exiters and program participants. Available data do not distinguish between completion and dropout for reason of exit. Data for 2012 are not available. The dotted line provides a smoothed estimate between 2011 and 2013. Pennsylvania, Utah, and Texas are excluded due to availability.
Source: US Department of Labor, "National Summary of Annual Performance Data," 2015, Table M, www.doleta.gov/performance/results/AnnualReports/annual_report_15.cfm; and US Department of Labor, "WIA State Annual Reports and Summaries," www.doleta.gov/performance/results/WIASRD_state_data_archive.cfm.

Table 2. Number and Share of Program Exiters from Adult Services and Dislocated Worker Programs by Age, 2015

Age Categories	All WIOA Programs	Adult Services	Dislocated Worker
14–17	41,249	534	63
	(3.4%)	(0.1%)	(0.0%)
18–21	124,587	68,190	10,685
	(10.1%)	(7.7%)	(2.5%)
22–29	254,165	207,745	75,146
	(20.7%)	(23.5%)	(17.6%)
30–44	383,098	295,472	144,511
	(31.1%)	(33.4%)	(33.9%)
45–54	234,320	172,112	101,974
	(19.0%)	(19.5%)	(23.9%)
55 and over	192,648	139,858	93,620
	(15.7%)	(15.8%)	(22.0%)
Not Reported	9	9	2
	(0.0%)	(0.0%)	(0.0%)
Total Number of Exiters	**1,230,076**	**883,920**	**426,001**

Source: US Department of Labor, "PY 2015 WIASRD Data Book," July 13, 2017, www.doleta.gov/performance/results/WIASRD/PY2015/PY_2015_WIASRD_Data_Book_13July2017.docx.

Individual Training Accounts

Individuals enrolled in training programs who meet specified eligibility requirements can apply to receive federal aid through WIOA to offset costs. For training participants in the Adult Services and Dislocated Worker programs, funding is distributed in the form of a payment agreement, known as an Individual Training Account (ITA), established between the workforce development board and the training provider on the individual's behalf.[55] WIOA funding can be combined with other aid (such as Pell Grants, food stamps, career and technical education state grants, and services offered through the Department of Labor's Employment and Training Administration) to cover unmet expenses related to training costs.

WIOA funding operates like a voucher, in which funds are directly deposited into an individual's ITA and can be used on qualified expenses. ITA funds can be used to cover the costs of tuition, fees, and textbooks, along with living expenses such as food, housing, transportation, childcare, and other support services.[56] The federal government allows states and local boards to set parameters for how ITAs can be used. In general, ITA funds can be used to pay for a wide array of educational expenses, but some states limit how aid can be used. For example, certain states prohibit using ITA funding for remedial courses or for retaking failed classes, among other items.

The law does not specify a maximum amount of aid an individual can receive per year, although some states have introduced caps. For example, South Dakota limits WIOA funding at $10,400 per year for an individual, and some counties in Illinois have three tiers of funding between $3,000 and $8,000 depending on the sector the training is for.[57] Statistics on the average ITA amount is dated, but the best studies find that in the early 2000s, the modal ITA amount was roughly $5,000 and typically ranged between $2,000 and $7,500.[58]

Table 3. Number and Share of Program Exiters from Adult Services and Dislocated Worker Programs by Gender, 2015

Gender	All WIOA Programs	Adult Services	Dislocated Worker
Women	609,652	439,815	204,994
	(49.6%)	(49.8%)	(48.1%)
Men	611,175	438,200	218,468
	(49.7%)	(49.6%)	(51.3%)
Not Reported	9,249	5,905	2,539
	(0.8%)	(0.7%)	(0.6%)
Total Number of Exiters	**1,230,076**	**883,920**	**426,001**

Source: US Department of Labor, "PY 2015 WIASRD Data Book," July 13, 2017, www.doleta.gov/performance/results/WIASRD/PY2015/PY_2015_WIASRD_Data_Book_13July2017.docx.

An ongoing challenge in the workforce development system is that comparatively few ITAs are actually awarded to support skills training. With available data today, we cannot see how many training recipients use ITA funding, but older reports have found that of those who receive training, roughly 37 percent of participants in Adult Service programs and 41 percent of participants in Dislocated Workers programs used ITA funds to pay for their training.[59] This suggests that the other training participants are enrolled in non-eligible programs or simply do not understand how to use the funds that are available to them. Available data do not reveal how money is allocated at American Job Centers, but a significant amount of resources are consumed in maintaining the WIOA infrastructure (such as building costs, utilities, and staff). This problem was documented in a 2001 evaluation of the ITA system under WIA.

Table 4. Number and Share of Program Exiters from Adult Services and Dislocated Worker Programs by Race, 2015

Race and Ethnicity	All WIOA Programs	Adult Services	Dislocated Worker
Hispanic	176,386	104,494	60,605
	(14.3%)	(11.8%)	(14.2%)
American Indian or Alaskan Native	11,857	9,747	3,047
	(1.0%)	(1.1%)	(0.7%)
Asian	29,792	17,572	13,702
	(2.4%)	(2.0%)	(3.2%)
Black or African American	326,843	238,678	81,028
	(26.6%)	(27.0%)	(19.0%)
Hawaiian or Other Pacific Islander	3,786	2,989	1,241
	(0.3%)	(0.3%)	(0.3%)
White	591,094	447,012	235,097
	(48.1%)	(50.6%)	(55.2%)
More Than One Race	27,711	21,335	9,467
	(2.3%)	(2.4%)	(2.2%)
Not Reported	62,607	42,093	21,814
	(5.1%)	(4.8%)	(5.1%)
Number of Exiters	**1,230,076**	**883,920**	**426,001**

Source: US Department of Labor, "PY 2015 WIASRD Data Book," July 13, 2017, www.doleta.gov/performance/results/WIASRD/PY2015/PY_2015_WIASRD_Data_Book_13July2017.docx.

> Many of our local sites reported that they have much less money to spend on training than they once did, in part because of the WIA requirement to establish a One-Stop system and three levels of service, including core services for the entire labor force. Given this requirement, several states noted that there was not enough money to provide good quality core and intensive services and still have funds available for training.[60]

Before the nationalized workforce system of one-stop centers authorized through WIA, workforce officials found that more resources were available to support skills training. While this analysis is dated, the nationalized network of one-stop centers (i.e., the American Job Centers) continues to operate, suggesting that there could be large overhead costs that reduce the availability of aid for training. More research and evaluation is needed to determine how much WIOA funding is spent on overhead costs compared to how much is spent on training.

Determining Eligible Training Providers

Workforce training can be offered by educational institutions, employers, and other private providers. WIOA requires each state governor to establish a State Workforce Development Board (SWDB) to oversee the providers offering workforce training programs. Board membership includes the state's governor, representatives of each legislative chamber, and governor-appointed representatives of business and labor. The SWDB sets eligibility

Table 5. Eligible Training Provider Requirements from Select States

Connecticut (Programs Must Meet One of the Following for All Students)
- Median earnings after program exit: $3,459/quarter
- Average wage at placement: $9,344
- Credential attainment rate during participation or within one year after exit: 60%
- Program completion rate: 60%
- Employment rate after completion: 65%
- Training-related employment rate: 65%

Michigan (Programs Must Meet the Following for All Students)
- Unsubsidized employment rate (second quarter after exit): 67%
- Unsubsidized employment rate (fourth quarter after exit): 67%
- Median earnings: $6,108
- Credential attainment: 44%

Indiana (Programs Must Meet One of the Following for All Students)
- Employment rate: 30%
- Credential rate: 50%
- Median wage: $10/hour ($28,000/year)

Note: Program requirements are for initial program eligibility.
Source: Connecticut Department of Labor, "Workforce Innovation and Opportunity Act (WIOA) Eligible Training Provider and Program Application Form," June 25, 2018, www.ctdol.state.ct.us/wia/wioa-trngproviderapps.htm; Michigan Talent Investment Agency, "Michigan Training Connect (MiTC) Policy Manual Requirements and Guidelines," www.michigan.gov/documents/wda/MiTC_Policy_Manual_575623_7.pdf; and Indiana Workforce Development, "Eligible Training Provider List Eligibility and Establishment Under the Workforce Innovation and Opportunity Act (WIOA)," www.in.gov/dwd/files/ETPL_Public_Comment.pdf.

requirements for workforce training providers. Training providers must meet targets on program completion rates, average employment rates two and four quarters after training, and median earning levels two and four quarters after training. In addition to these metrics, the SWDB has the discretion to set other eligibility criteria. Specific thresholds are set by each SWDB, and providers must also include a demonstrated ability to meet local workforce needs (Table 5).

Depending on their location, a provider may also have to meet additional locally determined eligibility requirements. Under WIOA, states designate a Local Workforce Development Board (LWDB) for specific geographic areas in the state. In total, there are 530 LWDBs across the country.[61] Each LWDB is composed of at least 19 individuals, and over half the board must be filled by members of the local business community. Local boards have more detailed knowledge on the specific labor market conditions in an area.

The LWDB can set additional eligibility requirements for providers located within its geographic jurisdiction beyond those stipulated by the SWDB, but its requirements cannot fall below the baseline set by the state. Providers that fail to meet local program requirements are ineligible to receive WIOA funds, even if the program meets the lower requirements set by the SWDB. However, most LWDBs use SWDB eligibility requirements, so this occurrence is relatively rare.

Higher education institutions, businesses, and private entities that meet all SWDB and LWDB eligibility requirements and submit all required information to WIOA administrators become registered as eligible training providers (ETPs) on the state's eligible

Table 6. ETP Requirements from Selected States, Initial and Continued Eligibility

Georgia: **Initial Eligibility (Must Pass Two of Six for All Students)** • Median earnings after program exit (second quarter): $11.50/hour • Average wage at placement: $10.70 • Credential attainment rate during participation or within one year after exit: 60% • Program completion rate: 70% • Employment rate after completion: 70% • Training-related employment rate: 70%	**Continued Eligibility (Must Pass Three of Six for WIOA Students)** • Median earnings: $11.50/hour • Average wage: $10.70 • Credential attainment rate: 60% • Completion rate: 70% • Employment rate: 70% • Training-related employment rate: 70%
Arkansas: **Initial Eligibility (Must Meet for All Students)** • Program completion rate: 19.5%	**Continued Eligibility (Must Meet All Three for WIOA Students)** • Unsubsidized employment rate (second quarter after exit): 61% • Unsubsidized employment rate (fourth quarter after exit): 63% • Median earnings: $5,000/quarter

Note: Programs must report on all WIOA outcomes, even if they are not held accountable for performance targets.
Source: Georgia Workforce Provisions, "WIOA Training Provider Initial and Continuing Eligibility Determination Provisions," www.georgia.org/wp-content/uploads/2015/09/Combined-Initial-and-Continued-Eligibility.pdf; and Arkansas Consumer Report System, "Initial Eligibility Certification Process," www.workforce.arkansas.gov/acrs/Guides/ETPL%20Procedures.pdf.

training provider list (ETPL). Only training providers on the state ETPL can receive WIOA funding through an individual's ITA account.

The ETPL is made publicly available, usually in the form of a centralized search portal on a state government website. Some states list non-ETPs as well, with the option to refine searches to one category or the other. Some providers may offer multiple training programs. For example, a community college (the training provider) may offer an accounting program and a dental assistant licensing program. Providers offering multiple programs must meet the SWDB and LWDB eligibility requirements for each program seeking to receive WIOA funding from individual ITAs. The same provider may offer some programs that are eligible for WIOA funding and others that are not.

Eligibility may also differ for first-time and renewed programs. "Initial eligibility" applies to programs that were not already recognized under WIOA (or the older WIA law) and lasts for one fiscal year. After that, a program must meet "continuing eligibility requirements" to remain on a state's ETPL.

In some states, continuing eligibility requirements are more stringent than initial eligibility, suggesting that states may want to offer an easier on-ramp for providers and then increase accountability once there are sufficient data to report on program-level outcomes (Table 6). At all stages of eligibility, training programs must address a demonstrated labor market need in the local area. This also means that WIOA participants must either attend training programs related to the labor needs of their local area or be willing to relocate.

These eligibility requirements apply to all training providers, with few exceptions. Registered apprenticeship programs are exempt from WIOA eligibility requirements.[62] Institutions of higher education, although they commonly offer training programs accredited under Title IV of the Higher Education Act, must still submit the requisite paperwork for each program seeking eligibility for WIOA funds.

In some cases, training services can be delivered to eligible individuals through providers not on a state's ETPL if an insufficient number of training providers are in a local area. This is determined on a case-by-case basis by LWDBs and requires a waiver from the governor.[63] In these cases, LWDBs provide pay-for-performance contracts to organizations or businesses willing to deliver on-the-job training, customized occupational training, incumbent worker training, or transitional employment services. States can require these providers to report on the outcomes of training participants.

Recommendations to Improve the Workforce Development System

In the last reauthorization of WIOA, legislators set out to improve workforce training and development to allow more job seekers access to high-quality, affordable training of their choice. While many components of the prior law were improved, the process can still be unfamiliar and difficult to navigate. Some job seekers may avoid the federal workforce system entirely, sacrificing available federal aid that could be pooled with other sources of funding.

This section of the report offers recommendations to improve the federal workforce development system. While it is easy to simply call for more funding to be spent on workforce development programs, those proposals can be unrealistic. Policymakers balance limited federal resources against other competing priorities. Therefore, policy ideas to support training recipients and providers must be more nuanced than simply calling for "more money."

Clarify Services Offered by the Workforce Development System. As it turns out, program participants are not the only ones confused about WIOA funding. In 2014, the *New York Times* ran a front-page article to critique the workforce development system. The article, titled "Seeking New Start, Finding Steep Cost: Workforce Investment Act Leaves Many Jobless and in Debt," listed many examples of unemployed workers who participated in expensive training programs and came out with no job and a mountain of student debt. The article confused key components of WIOA with the federal student loan program, which is authorized by the Higher Education Act, not WIOA (or WIA).[64] In fact, WIOA does not offer any loan programs for any of its services.

Clearly, there is room to improve the public's understanding of basic elements of the workforce development system, the services it offers, and how funding can be used. At the very least, more can be done to communicate how the workforce development system operates to interested job seekers. More ambitious reforms could streamline information, enrollment, and services to allow for a healthier marketplace of training seekers and training providers.

Enhance Coordination Between Higher Education Financial Aid Officers and WIOA Caseworkers. Improving communication and cross coordination between financial aid officers at colleges and caseworkers at American Job Centers is one of the biggest opportunities to get more job seekers trained and back to work. Community colleges and vocational schools account for a substantial group of WIOA training providers. In 2013, two-year colleges spent roughly $60 billion on workforce and education training programs.[65] The programs offered at these schools typically lead to a degree or certificate, which signals employers of a participant's attainment of certain skills.

At the same time, many students attending community colleges already receive federal aid through the Pell Grant program, and some of these students could likely benefit through additional financial aid offered by WIOA. Students enrolled at higher education institutions are eligible to receive federal financial aid through the Department of Education if the students and the colleges they attend meet basic requirements (Table 7). Typically, this aid comes in the form of grants, scholarships, and subsidized loans. Community college students might be enrolled in programs that are eligible for WIOA aid, but that

Table 7. Student and Institutional Eligibility to Receive Title IV Funds Through the Higher Education Act

Student Eligibility Requirements

- Demonstrate financial need (for most programs).
- Be a US citizen or eligible noncitizen.
- Be enrolled or accepted for enrollment as a regular student in an eligible degree or certificate program.
- Complete the Free Application for Federal Student Aid.
- Do not be in default on a federal student loan.
- Maintain satisfactory academic progress in college or career school.
- Be qualified to obtain a college or career school education, typically by having a high school diploma or a recognized equivalent such as a General Educational Development certificate.

Institutions Eligibility Requirements

- Be licensed or otherwise legally authorized to operate in the state it is located.
- Be accredited or pre-accredited by an agency recognized for that purpose by the Department of Education.
- Offer a bachelor's degree program or a two-year program that leads to a bachelor's degree, offer a degree that is accepted for admission to a graduate or professional program, or provide at least a one-year training program that prepares students for gainful employment in a recognized occupation.
- Admit only individuals with a high school diploma or its equivalent, individuals beyond the age of compulsory school attendance, or individuals who are dually or concurrently enrolled in both the institution and a secondary school.

Note: This list is not comprehensive.
Source: For a full description of eligibility requirements, see Congressional Research Service, "Institutional Eligibility for Participation in Title IV Student Financial Aid Programs," June 26, 2017, https://www.everycrsreport.com/files/20170616_R43159_398f827cad288553bf67c39968994133096bcea7.pdf; and Federal Student Aid, "Basic Eligibility Criteria," https://studentaid.ed.gov/sa/eligibility/basic-criteria.

information may not be clearly communicated to financial aid counselors and students.

Students seeking training (and training providers offering the services) often lack the time and resources needed to navigate the bureaucratic procedures to pool WIOA funding with other sources. It is rare to come across organizational structures that support deep domain expertise between institutions of higher education and LWDBs. Across the roughly 6,000 Title IV–eligible institutes of higher education and 3,000 American Job Centers in the workforce system, college financial aid offices and WIOA case managers typically remain separate and distinct.[66] While a few examples demonstrate collaboration and dual-domain expertise, those cases are the exception and not the rule. Stronger coordination between college financial aid offices and WIOA caseworkers and training participants can help prospective students better afford training.

In line with executive actions the Trump administration has already taken, state policymakers should look for creative ways to encourage partnerships between the workforce development and higher education systems, along with other private businesses. These partnerships can help students obtain available training funds and connect them to prospective companies and career paths.

Reduce or Modify Reporting Requirements on Outcomes If the Tools Are Not Provided to Deliver the Reports. Training participants must attend programs that have met eligibility requirements set by state and LWDB if they wish to use WIOA funding to pay for training. To gain and maintain eligibility, training providers are required to report information on participants' earnings, employment, measurable skills gain, and receipt of a secondary diploma or credential.

In particular, colleges can be reluctant to track and report this information.[67] Students can be difficult to track after they leave campus, making accurate reporting time-consuming and costly. This is particularly relevant at community colleges, where the technical infrastructure and support staff needed to track the student-level data might be less developed than what might be found at four-year flagship institutions or private for-profit schools.[68] Tracking the employment and earnings of program participants is often cited as one of the most resource-intensive activities that workforce training providers face after receiving WIOA funds. In some cases, if just one student in a program receives WIOA funding, that institution has to track the employment and earnings outcomes for *all* students in the program.[69]

A report for the US Government Accountability Office found that many workforce officials experienced challenges reporting data on credential attainment and employment since there is no centralized source of this information. The report found that managers had to piece together employment information from various sources, including employers, self-reporting from participants, and unemployment wage records.[70]

In addition, sometimes student outcomes such as employment and earnings are out of a college's control, and poor outcomes in the labor market may not be directly related to the quality of education a college provided. Some students may choose not to work after obtaining a degree or pursue careers with low expected earnings, such as social work. A recent report prepared for the US Department of Labor captures the cultural reluctance around reporting requirements.

> Reactions of the community colleges to this [reporting] requirement are generally quite different from those of the proprietary schools. We found the former group to be, on average, quite distressed with the idea that they would need to provide performance data. For example, in SELACO, the local community college did not apply for the eligible provider list because of the performance requirement. In Texas, the number of programs dropped statewide by about 80% from initial eligibility, when no performance information was required, to subsequent eligibility. Nearly all of this drop came as a result of the community colleges' refusing to participate.[71]

The current difficulties and reluctance around providing student-level outcome measurements explains why, when it comes to WIOA funding, higher education institutions that would otherwise be added to a state's ETPL opt not to participate, even if doing so results in more student financial aid. It is ironic that the much larger outlay of tax dollars through Title IV of the Higher Education Act comes with relatively few reporting requirements, while the much smaller outlay through Title I of WIOA has much more onerous reporting stipulations.

Accordingly, policymakers should identify and minimize barriers that make community colleges and vocational schools reluctant to participate in WIOA. A commonsense, simple solution would be to require reporting on only students who receive WIOA funding, which would significantly reduce reporting burdens on training providers. Another possible solution would be to require reporting on performance and outcome data for only those programs that have a certain percentage of individuals receiving WIOA funding. Additionally, states could link their state-level data sets to help training providers better track participants over time. This would involve linking state tax records with enrollment records, which would allow an easily verifiable, non-falsifiable way to track a participant's earnings and labor force participation data. Integrated state and local data reporting systems could ultimately cut down on the amount of time and money that financial aid officers, caseworkers, and other training officials spend trying to track and maintain accurate records.

While reporting is needed to adequately monitor training providers and hold them accountable for receiving taxpayer funds, the government should provide more tools to help the providers collect the required data.

Consider New Ways to Prioritize Training at American Job Centers. Estimates from the mid-2000s have shown that only about half of all participants in Adult Services and Dislocated Worker programs receive actual training. Of those training recipients, only about a quarter of them use ITA funds to pay for it.[72] If the goal of the workforce development system is to provide job seekers with resources to receive training for skills needed in the economy, those numbers suggest it is doing a lousy job.

Policymakers should think about ways to flip the spending structure in the workforce development system, so more funding is prioritized for training services to provide job seekers with the skills they need in the labor force. Admittedly, this is a difficult task, as many of the overhead costs of American Job Centers are fixed (such as rent, utilities, and staff). Reducing these costs can be difficult without other significant changes.

One reason that so much of an American Job Center's budget is spent on infrastructure and overhead is that maintaining a national network of one-stop centers is inherently expensive. The federal government should consider surveying if every American Job Center is strictly necessary and determine if combining services and building rentals would reduce these fixed costs. If some centers are systematically undersubscribed, policymakers should weigh if keeping that center open is worth the costs and if the funds could be used more effectively at other centers.

Additionally, some workforce development programs have prioritized core services (such as guidance counseling and information) and only steer job seekers into actual training programs as a last resort.[73] Policymakers should consider ways to encourage WIOA caseworkers to offer training services from the start if it is clear participants need more than core services. This can potentially cut down on overhead costs and lead to more individuals receiving training for the skills needed in the economy. Albeit, it is unclear how expensive this type of reform will be.

Help WIOA Participants Use Other Available Federal and State Funding. Expanding and prioritizing training services will be costly if other funding sources are not better used. As an example, the number of WIOA participants currently taking advantage of the Pell Grant remains exceptionally small. In the 2015–16 school year, only 8,500 program exiters who received aid through WIOA's Adult Service programs also received a federal Pell Grant.[74] If we conservatively assume that only one in 10 individuals who participated in Adult Services programs were enrolled in a Title IV–eligible school, that would mean only about 1.58 percent of all those leaving the training program had received a Pell Grant. Assuming that only one in 100 students exited from Title IV–eligible schools would mean that 15.8 percent received a Pell Grant.[75] While available data do not indicate how many of these program exiters were enrolled in a program at a Title IV–eligible institution, or if the students were Pell eligible, it still represents a shockingly low amount of crossover between the two federal aid programs.

Not all WIOA participants receive actual training through outside providers, and for those who do receive training, it is possible they have no unmet costs in their training costs or that funding available through an ITA is enough to cover all expenses. However, training seekers could have also shopped around for cheaper programs, thinking that (without additional aid, which they might not know they had access to) more expensive programs would be out of reach. To address this problem, financial aid officers and WIOA caseworkers should have special procedures for helping WIOA training participants easily access available federal aid.

Pell Grants are not the only other source of funding for training seekers. A 2016 letter coauthored by six federal agencies outlined ways that unemployed individuals can access a wide array of federal aid programs to help finance the costs of higher education and training programs.[76] The letter, which is essentially a consolidated resource guide, still leaves many complex questions for interested training seekers to figure out on their own. Even with the guide, students must navigate through complicated federal websites and application processes that do not necessarily overlap or allow for funding flexibility.

The interagency list of funding sources includes WIOA, among many other possible funding streams, yet only refers interested students to various departmental websites that may or may not align with their specific training program. Clear, easy-to-use, and direct instructions are not provided, which can create a large hurdle for individuals without the background knowledge on how to best navigate the workforce development system.

A better approach would be to allow students who are both WIOA and Pell eligible—and enrolled at WIOA- and Pell-eligible institutions—an easier channel to receive and pool both funding sources together. This would make it simpler for prospective low-income students to pay for the full price of training. The bottom line: A streamlined process could help students better navigate the bureaucracy and access available resources from both departments.

Encourage Private Businesses to Offer Training to Nonemployees, Especially in High-Demand Occupations. Out of all groups of training providers, private businesses spend the most on training services. Employers spend about $590 billion each year in formal and informal training programs for their employees. This training is usually outside the federal workforce development system. Companies either provide training services themselves or sponsor outside training providers. Businesses, which know the skills they are looking for, rationally invest in desired services. Understandably, these private training programs do not need to register with the government, meet eligibility requirements, or report outcomes.

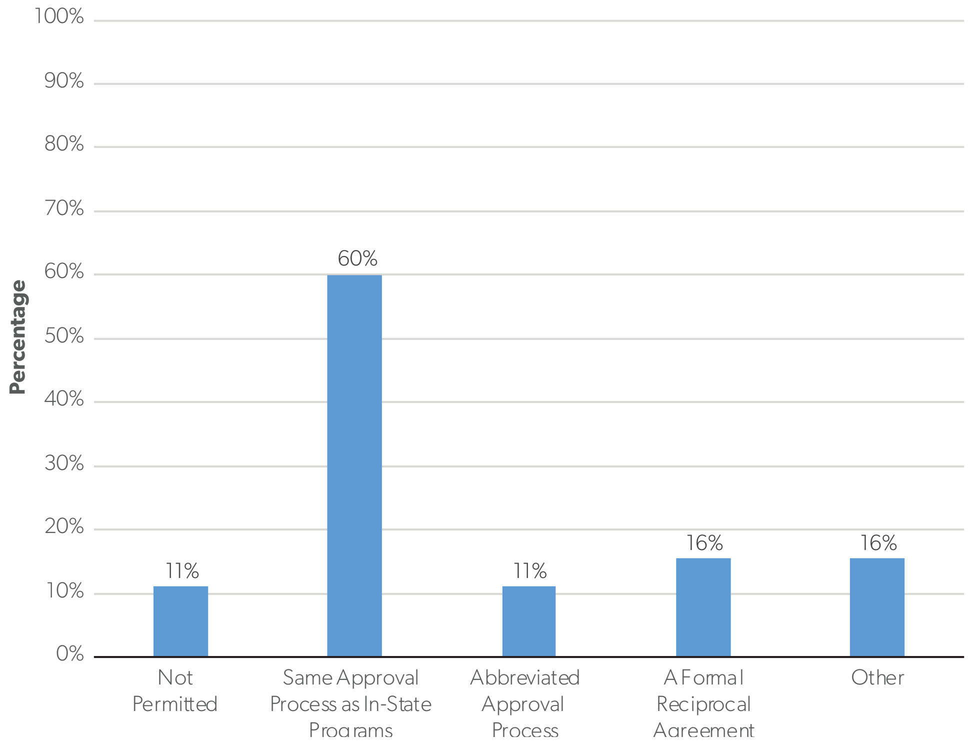
At the same time, survey data suggest that businesses rarely offer training services for nonemployees or prospective hires. Since this type of private training is highly catered to the specific skills employers are needing, policymakers should consider expanding partnerships with businesses that can encourage them to include nonemployees and prospective hires in privately sponsored training programs.

Certain private training programs are naturally conducive to including nonemployees, such as educational classes, presentations, and workshops. For these training programs, the marginal cost of allowing nonemployees to attend is relatively small. For example, the cost of a firm to put on a training seminar for 25 people (their employees) or 30 (their employees plus five outside participants) is virtually the same. At the same time, connecting job seekers with employers can help interested workers get back to work. Private companies are unlikely to take this action on their own because there is no guarantee that training results in a more talented labor pool and because the training could lead to a firm's competitors poaching unhired training recipients.

Financial aid officers and WIOA caseworkers should have special procedures for helping WIOA training participants easily access available federal aid.

However, this can create important and unanswered questions about accountability. Policymakers will likely want to ensure that private companies receiving government aid are held accountable like other private training providers through WIOA. For the policy to work, steps will need to be taken to make offering training to nonemployees worth the reporting costs. This could be done through tax credits or through government aid to offset costs of training nonemployees. Alternatively, employers could hire a small percentage of the nonemployee training participants in return for the federal aid. Since the majority of training takes place outside the services offered through WIOA, policymakers and employers would do well to improve the partnerships between them.

Figure 3. ETP Reciprocity Agreements Among States, 2015



Note: Forty-five states responded to the question on the survey. States were permitted to select multiple answers, which is why the total percentage adds to more than 100. The following states did not respond to the survey: Idaho, Louisiana, Mississippi, Nebraska, New Jersey, and Ohio.
Source: Amy Kracker Selzer and Lauren Eyster, *How States Manage Eligible Training Provider Lists: Findings from a State Survey*, US Department of Labor, Employment and Training Administration, June 2, 2015, https://wdr.doleta.gov/research/FullText_Documents/ETAOP-2017-10%20EPTL%20Report%20%28Accessible%20PDF%29.pdf.

Expand Reciprocity Agreements Between States. It remains difficult for national employers to partner with national online education providers to provide workforce training. Under current policy, those national education providers would need to potentially navigate hundreds of ETP approval processes to become registered on each state and local ETPL that they wish to operate. This creates a bureaucratic nightmare for companies and can limit what states and regions they can operate in.

In a survey of 45 state workforce agencies, 60 percent of responding states said that training providers from other states are required to go through the same approval process as in-state programs, regardless of whether they are included on another state's ETPL.[77] This is duplicative and counterproductive. In addition, 11 percent of the responding states prohibit programs from other states to be added to their ETPL list (Figure 3).

The lack of reciprocity agreements can create a multitude of problems for trainees and providers, particularly for those who commute across state lines for work. Many states allow individuals to use WIOA funds for an out-of-state program as long as the other state's ETPL includes the program. At a minimum, the policies in the states that currently prohibit training programs based in other states from being added to their own ETPL should be modified to allow these programs to go through the approval process. In doing so, these states allow their citizens a wider range of training options.

States with reciprocity agreements could also consider an abbreviated approval process for programs already approved by another state's SWDB.

In addition, all states with reciprocity agreements would be better equipped to handle online training providers. However, as states look to expand reciprocity agreements, there remain unanswered questions about how to best ensure program quality and accountability while balancing the need for an adaptable and efficient workforce training system.

Conclusion

The nation will likely always face a "skills gap" challenge as the need for upskilling and retraining workers attempts to keep pace with new technologies in a changing labor market. Creating a streamlined and adaptable infrastructure that serves both the learner and training provider will be crucial to expanding alternative pathways to the labor force.

Importantly, the goal of the federal workforce system should not just be to expand training; it should be to expand quality training, which connects job seekers with education and skills to be employed, earn decent wages, and open the door to career success. A more talented labor pool helps both job seekers and firms. At the same time, sometimes training programs do not pay off for participants, and continuous improvement will be needed to elevate high-quality workforce development programs.

With these challenges in mind, rethinking the workforce training system offers an opportunity to train students and job seekers for jobs needed in the years ahead. Trump's latest proposal to combine the Education and Labor Departments reflects the need for lifelong learning for workers to participate in a continuously changing job market. In line with that goal, this report has offered a few ideas on how policymakers might consider improving America's workforce development system to reduce administrative hurdles among other government agencies, workforce training providers, and higher education institutions.

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Appendix A

Table A1. Number of Local Workforce Development Boards, by State

State	Number of Local Boards	State	Number of Local Boards
Alaska	0	Montana	0
Alabama	3	Nebraska	3
Arizona	12	Nevada	2
Arkansas	10	New Hampshire	0
California	45	New Jersey	17
Colorado	9	New Mexico	4
Connecticut	5	New York	33
District of Columbia	0	North Carolina	23
Delaware	0	North Dakota	0
Florida	24	Ohio	20
Georgia	18	Oklahoma	7
Hawaii	4	Oregon	9
Idaho	0	Pennsylvania	22
Illinois	22	Rhode Island	2
Indiana	12	South Carolina	12
Iowa	15	South Dakota	0
Kansas	5	Tennessee	13
Kentucky	10	Texas	28
Louisiana	15	Utah	0
Maine	3	Vermont	0
Maryland	12	Virginia	15
Massachusetts	16	Washington	12
Michigan	16	West Virginia	7
Minnesota	16	Wisconsin	11
Mississippi	4	Wyoming	0
Missouri	14	**Total**	**530**

Note: In addition to the local boards, each state has one State Workforce Development Board. For states with zero local boards, they have only a state board. US territories are excluded.
Source: CareerOneStop, "Workforce Development Board Finder," accessed December 15, 2017, www.careeronestop.org/LocalHelp/WorkforceDevelopment/find-workforce-development-boards.aspx?newsearch=true.

Notes

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2. Burning Glass reports that over seven million online job postings in 2013 were for middle-skilled positions. Nearly 40 percent of business leaders report that middle-skills positions are "very difficult" or "somewhat difficult" to fill. The ManpowerGroup's annual talent shortage report consistently finds that middle-skills trade jobs are the most difficult to fill due to a lack of qualified and available workers. For more information, see Joseph Fuller et al., "Bridge the Gap: Rebuilding America's Middle Skills," Accenture, Burning Glass, and Harvard Business School, 2013, https://www.hbs.edu/competitiveness/Documents/bridge-the-gap.pdf; and Manpower-Group, "2016/2017 U.S. Talent Shortage Survey," 2016, www.manpowergroup.us/campaigns/talent-shortage/assets/pdf/2016-Talent-Shortage-Whitepaper.pdf.

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42. The full list of partner programs includes Community Services Block Grant, Job Plus, Indian and Native American, Senior Community Service Employment, Temporary Assistance for Needy Families, Trade Adjustment Assistance, Jobs for Veterans State Grants, Unemployment Insurance, Job Corps, YouthBuild, and Migrant and Seasonal Farmworkers. For more information, see US Department of Labor, Employment and Training Administration, "Training and Employment Guidance Letter No. 16-16, Attachment II," January 18, 2017, https://wdr.doleta.gov/directives/attach/TEGL/TEGL_16-16_Attachment-II_Acc.pdf.

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44. Eberts, "Individual Training Accounts Provided Under the U.S. Workforce Investment Act."

45. The length of training varies widely by state and program but is generally less than 12 months. Compared to the length of time required to obtain an associate degree or bachelor's degree (two to four years, on average), WIOA programs are significantly shorter on average. See Eberts, "Individual Training Accounts Provided Under the U.S. Workforce Investment Act."

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