



REFORMING WIOA: WHAT CONGRESS MUST DO

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The Workforce Innovation and Opportunity Act (WIOA) is the largest federal workforce development program, sending more than \$5 billion to the states annually. But WIOA’s overly bureaucratic design limits its potential. Congress should enact reforms to empower states and increase accountability.

- 1. Rework State Funding Formula and Increase Flexibility:** Congress should adjust the funding formula to reward high-performing states that have demonstrated success with their WIOA funds and move toward providing all WIOA funds as a flexible block grant for states to use to pursue any workforce development goals.
- 2. Incentivize States to Integrate Education, Workforce, and Entitlement Programs:** Congress should create an innovation demonstration authority that allows states to integrate all education, workforce, and entitlement programs.
- 3. Improve Coordination Between State Agencies and Local Entities:** Congress should allow more states to secure “single state area” designation to manage workforce efforts as they see fit. Short of that, Congress should provide governors with more authority to hold local entities accountable when they are not achieving their goals.
- 4. Overhaul State Plan Requirements:** Congress should limit the requirements for state plans and instead instruct the Department of Labor (DOL) to take a collaborative, accountability-driven approach with state agencies.
- 5. Revise MOU and Funding Processes for One-Stop Centers:** Congress should simplify the memorandum of understanding (MOU) process for state one-stop centers, which provide front-line job services to workers, and permit more states to test new cost allocation models.
- 6. Limit Workforce Board Size and Provide Flexibility for Appointments:** Congress should cut down the size of state and local workforce development boards and grant governors and local officials more flexibility when making board appointments.
- 7. Reduce Burdensome Data Collection Requirements:** Congress should require DOL to collect only the most essential information about participating workers: whether the participant is employed, how much they earn, and what industry they work in. This enhances accountability while reducing the overall reporting burden.

