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Workforce Innovation and Opportunity Act of 2022 (H.R. 7309)

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SUMMARY

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Workforce Innovation and Opportunity Act of 2022 (H.R. 7309)

Workforce development programs support interventions to improve participants' prospects in the labor market. These interventions can include job training, career services (such as case management or job search assistance) or other supports.

The Workforce Innovation and Opportunity Act of 2014 (WIOA, P.L. 113-128) is the primary federal workforce development statute. The statute contains four titles. The major workforce development provisions, as well as the related governance and accountability requirements, are in Title I of WIOA.

In April 2022, the House Committee on Education and Labor marked up and ordered reported H.R. 7309, the Workforce Innovation and Opportunity Act of 2022. H.R. 7309 would authorize appropriations for fiscal years 2023 through 2028. It would extend and increase the authorizations of appropriations for existing WIOA programs and establish several new program authorizations in Title I.

H.R. 7309 would extend the authorizations for the three primary formula grants authorized by Title I of WIOA: Youth Activities, Adult Activities, and Dislocated Worker Activities. The authorizations of appropriations in H.R. 7309 for the Adult Activities and Dislocated Worker Activities would represent a substantial increase from their current funding levels. The authorization of appropriations for Youth Activities would be less significant, but H.R. 7309 would also establish a new formula grant program to support Summer and Year-Round Employment efforts for eligible youth.

In addition to the formula grants, Title I of WIOA authorizes a group of National Programs that support grants that support specific populations and activities. H.R. 7309 would extend the authorization of appropriations for these programs and establish several new program authorizations. Some of the new authorizations are based on activities that DOL has previously carried out under demonstration authority

H.R. 7309 would extend the authorization of appropriations for the Job Corps program and make eligibility changes for participants and operational changes for providers.

H.R. 7309 would extend the authorization of appropriations for programs authorized in Titles II, III, and IV of WIOA.

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Background

Workforce development programs support interventions to improve participants' prospects in the labor market. These interventions can include job training, career services (such as case management or job search assistance) or other supports.

The Workforce Innovation and Opportunity Act of 2014 (WIOA, P.L. 113-128) is the primary federal workforce development statute.[1] It replaced the Workforce Investment Act of 1998 (WIA, P.L. 105-220).

WIOA authorizes several grant programs and state systems to coordinate funding streams to meet local labor market needs. Key innovations of WIOA included unifying the six "core" state grant programs under a single planning structure and performance accountability system.[2] WIOA authorized appropriations for fiscal year (FY) 2015 through FY2020. Since FY2021, the systems and programs authorized by WIOA have continued to be funded through the annual appropriations process.

Structure of WIOA

WIOA has four titles:

- Title I authorizes workforce development activities. It establishes a federally-funded, state- and locally-administered "one-stop" delivery system, including structure, governance, planning, and performance accountability requirements. It authorizes three formula grants that are administered through these systems as well other workforce development programs. Programs under Title I are administered by the Department of Labor (DOL).
- Title II is the Adult Education and Family Literacy Act (AEFLA). Title II authorizes programs for out-of-school adults that support education at the secondary level and below as well as English language training. Programs under Title II are administered by the Department of Education (ED).
- Title III amends the Wagner-Peyser Act. Among other functions, the Wagner-Peyser Act authorizes the Employment Service, a formula grant program that is a core WIOA program for planning and accountability purposes and is administered by DOL.[3]
- Title IV amends the Rehabilitation Act of 1973. The largest authorization of appropriations under Title IV is the Vocational Rehabilitation State Grants, which provide funding to state agencies to support employment-related services to individuals with disabilities. Most programs authorized by Title IV are administered by ED.[4]

[1] For a detailed discussion of WIOA and its accompanying systems, see CRS Report R44252, *The Workforce Innovation and Opportunity Act and the One-Stop Delivery System*.

[2] The six core formula grant programs are: (1) Adult Activities, (2) Dislocated Worker Activities, (3) Youth Activities, (4) Adult Education, (5) Employment Service, and (6) Vocational Rehabilitation. Of the core WIOA programs, (1), (2), and (3) are authorized by Title I; (4) is authorized by Title II; (5) is aligned with Title III; and (6) is authorized by Title IV.

[3] The funding for ES formula grants is not authorized under WIOA.

[4] A subset of programs authorized by Title IV are administered by the Administration for Community Living at the

Recent legislative debate, as well as the bulk of H.R. 7309, relate to Title I of WIOA. As such, this report will focus on Title I of WIOA.

Action in the 117th Congress

WIOA reauthorization has been an ongoing topic of congressional interest. During the 117th Congress, the House Committee on Education and Labor's subcommittee on Higher Education and Workforce Investment held three hearings specifically related to WIOA reauthorization.[5]

On April 5, 2022, the House Education and Labor Committee marked up and ordered reported H.R. 7309, the Workforce Innovation and Opportunity Act of 2022.[6] H.R. 7309 would retain the general structure and systems established by WIOA. It would authorize appropriations for fiscal years 2023 through 2028, increasing funding for existing systems and establishing several new programs. It would take effect on July 1, 2023, coinciding with the beginning of DOL's program year 2023.

Report Overview

This report describes the provisions of H.R. 7309 as ordered reported by the House Committee on Education and Labor.[7] H.R. 7309 would amend the existing WIOA statute. As such, provisions of H.R. 7309 are described relative to the existing provisions of current law WIOA that they would amend, not the applicable sections of H.R. 7309. For example, Section 211 of H.R. 7309 would modify Section 116 of WIOA, which establishes the law's performance accountability system. This report refers to "Section 116" when discussing these provisions.

H.R. 7309 authorizes funding for all four titles of WIOA. Most of the proposed legislation focuses on Title I, upon which this report focuses.

WIOA Title I Authorizations of Appropriations in H.R. 7309

The authorizations of appropriations in H.R. 7309 would, in aggregate, represent an increase in WIOA-authorized funding relative to current levels. **Table 1** summarizes the authorizations of appropriations in H.R. 7309 for Title I of WIOA and compares them to enacted FY2022 levels. In some cases, discrete authorizations in H.R. 7309 are aligned with broader authorizations in current law. These cases are clarified in the table notes.

Department of Health and Human Services.

[5] Hearings were: (1) Workforce Innovation and Opportunity Act Reauthorization: Creating Opportunities for Youth Employment on May 13, 2021; (2) Workforce Innovation and Opportunity Act Reauthorization: Creating Employment Pathways for Dislocated Workers on May 27, 2021; and (3) Workforce Innovation and Opportunity Act Reauthorization: Examining Successful Models of Employment for Justice-Involved Individuals on June 15, 2021.

[6] The motion to report H.R. 7309 passed the Committee by a 29-21 vote. See roll call at https://docs.house.gov/meetings/ED/ED00/20220405/114619/CRPT-117-ED00-Vote016-20220405.pdf.

[7] Specifically, this report is based on the Amendment in the Nature of a Substitute of H.R. 7309, downloaded from https://docs.house.gov/meetings/ED/ED00/20220405/114619/BILLS-117-7309-A000370-Amdt-1.pdf on April 18, 2022 and a subsequent Ramseyer document that integrated the amendments proposed by H.R. 7309 into the existing WIOA text.

Table 1. Authorizations of Appropriations in Title I of WIOA as proposed in H.R. 7309

(by fiscal year, in millions of dollars)

Program	Actual 2022	Authorization in H.R. 7309					
		2023	2024	2025	2026	2027	2028
Total, Formula Grants	**3,180.1**	**5,995.1**	**6,594.5**	**7,254.0**	**7,979.3**	**8,777.3**	**9,655.1**
Adult Activities	*870.6*	*1,555.6*	*1,711.2*	*1,882.3*	*2,070.5*	*2,277.6*	*2,505.4*
Dislocated Worker Activities[a]	*1,376.4*	*2,486.3*	*2,734.9*	*3,008.4*	*3,309.2*	*3,640.1*	*4,004.1*
Youth Activities	*933.1*	*1,026.5*	*1,129.1*	*1,242.0*	*1,366.2*	*1,502.8*	*1,653.1*
Summer and Year-Round Employment for Youth	—	*926.7*	*1,019.3*	*1,121.3*	*1,233.4*	*1,356.8*	*1,492.5*
Job Corps	**1,748.7**	**1,809.9**	**1,873.2**	**1,938.8**	**2,006.6**	**2,076.9**	**2,149.5**
Total, National Programs	**353.5**	**1,845.3**	**2,026.4**	**2,220.1**	**2,427.6**	**2,650.3**	**2,889.6**
Native Americans	*57.0*	*66.4*	*73.0*	*80.3*	*88.3*	*97.1*	*106.8*
Migrant and Seasonal Farmworkers	*95.4*	*109.1*	*114.6*	*120.3*	*126.3*	*132.6*	*139.2*
Technical Assistance	—	*3.6*	*3.8*	*4.0*	*4.2*	*4.4*	*4.6*
Evaluations and Research[b]	—[c]	*116.7*	*122.5*	*128.6*	*135.0*	*141.8*	*148.9*
YouthBuild	*99.0*	*159.5*	*167.5*	*175.9*	*184.7*	*193.9*	*203.6*
Strengthening Community Colleges	*(See note)*[d]	*100.0*	*110.0*	*121.0*	*133.0*	*146.0*	*161.0*
Reentry Employment Opportunities	*102.1*[e]	*250.0*	*300.0*	*350.0*	*400.0*	*450.0*	*500.0*
Sector Partnerships	—	*1,000.0*	*1,100.0*	*1,210.0*	*1,331.0*	*1,464.1*	*1,610.5*
Workforce Data Quality Initiative	*6.0*[f]	*40.0*	*35.0*	*30.0*	*25.0*	*20.0*	*15.0*
Total, Title I	**5,288.3**	**9,650.3**	**10,494.1**	**11,412.9**	**12,413.4**	**13,504.1**	**14,694.2**

Source: CRS analysis of P.L. 117-103, Consolidated Appropriations Act, 2022 and H.R. 7309, as ordered reported by the House Committee on Education and Labor in the 117th Congress.

a. Funding levels include formula funds and National Reserve.

b. H.R. 7309 would authorize the specified appropriation levels the Evaluations and Research function of WIOA (Section 169 under both current law and under the bill). H.R. 7309 would also amend Section 169 to include a new "Workforce Development Innovation Fund" in Section 169(c). The amended 169(c)(4) would include a separate authorization of appropriations for such sums as necessary for fiscal years 2023 to 2028. Since this "such sums" authorization of appropriations is under another authorization of appropriations for the full section, it is not included in the summary table.

c. In FY2022, P.L. 117-103 directed all funding under this authorization to either Reentry Employment Opportunities or the Workforce Data Quality Initiative.

d. In FY2022, P.L. 117-103 directed $50 million from the Dislocated Worker National Reserve for a similar program. This funding is included in the "WIOA Dislocated Worker" row.

e. Funded in FY2022 under the Evaluations and Research authority in Section 169. There is no discrete authority for Reentry Employment Opportunities in current law WIOA.

f. In FY2022, P.L. 117-103 appropriated funds under the broader authority of Section 169 of WIOA. H.R. 7309 would establish a discrete authorization.

Modifications to Existing WIOA Title I Systems and Programs

H.R. 7309 retains many of the general administrative structures and systems of the current WIOA system. Most the changes in H.R. 7309 would modify the roles of certain workforce stakeholders or adjust procedures to increase emphasis on certain participant populations or program activities.

State and Local Workforce Systems

WIOA formula funds and other federal workforce funding is administered through state and local workforce systems.[8] These systems are designed to provide local control of WIOA funds to meet local labor market needs. The requirements for these systems are established in WIOA. These systems consist of

- *State workforce development boards* that develop a *state plan* that describes how WIOA funds will be coordinated to meet labor market needs in the state with an emphasis on in-demand sectors and occupations, which are determined locally. State workforce development boards allocate funds to local workforce development boards and provide oversight of the local boards. State workforce development boards are appointed by the governor and the majority of board positions must be held by representatives of private business. The remaining board positions are held by other labor market stakeholders.[9]
- *Local workforce development boards* develop a *local plan* that describes how WIOA funds will be coordinated to meet labor market needs in the local area, with an emphasis on in-demand sectors and occupations. Similar to state boards, the majority of members of local boards must be business representatives.
- *One-stop career centers* are the physical locations that interface with program participants. One-stop operators are appointed by the local board and one-stop staff are responsible for implementing the local plan, including making participant-level decisions related to training.

H.R. 7309 State and Local Workforce System Provisions

H.R. 7309 would retain the general governance structures and systems established by WIOA with state and local entities retaining their key responsibilities. Most the changes in H.R. 7309 related to state and local workforce systems would modify the roles of certain stakeholders within these systems or adjust procedures to increase the focus on certain functions or participant populations. Key provisions include

- *Share of workforce representatives in state and local boards*. Under current law, at least 20% each of state and local workforce development boards must consist of "representatives of the workforce," including representatives from labor

[8] Mandatory partner programs include programs authorized under WIOA as well other programs. For a list of required partner programs, see WIOA §121(b)(1)(B) or Table 1 of the previously-cited CRS Report R44252, *The Workforce Innovation and Opportunity Act and the One-Stop Delivery System*.

[9] For more information of state and local board membership and state and local plans, see WIOA §§101-108 and the applicable sections of the previously-cited CRS Report R44252, *The Workforce Innovation and Opportunity Act and the One-Stop Delivery System*.

organizations such as labor unions. H.R. 7309 would increase the share of workforce representatives to 30% on each of state and local boards.[10] The requirement that the majority of the boards would be comprised of representatives from business would remain.

- *Diversity of state and local boards*. H.R. 7309 would specify that state and local workforce boards shall represent the "diverse demographic populations" of the state or local area.[11]
- *State plan content and process*. H.R. 7309 would establish additional content in state plans related to the state's labor force analysis. The bill would establish procedures for the state to consult with specified stakeholders in the development of the plan. H.R. 7309 further specifies that state plans must also provide an assurance that the Employment Service staff will be merit staff (i.e., civil service employees).[12]
- *Equity and serving workers with barriers to employment*.[13] Several amendments to the state and local board and planning provisions relate to equitable service delivery and outcomes for individuals with barriers to employment.[14]
- *Infrastructure Funding for One-Stop Career Centers*. Under current law, the infrastructure costs of one-stop centers (e.g., rental costs of the facility, utilities and maintenance, equipment) are shared among the partner programs per a series of policies and procedures established in WIOA.[15] H.R. 7309 would eliminate the current memorandum of understanding (MOU) requirement and establish that infrastructure costs will be funded out of the specified WIOA formula grants.[16]
- *Eligible Training Providers*. Current law establishes procedures of states to set criteria for individual training programs that will qualify for WIOA funding ("eligible training providers"). H.R. 7309 would expand the criteria states can use to establish eligibility for providers and expand oversight of providers. The bill would also explicitly make online providers eligible.[17]

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[10] See WIOA §101(b)(1)(C)(ii) and §107(b)(2)(B) as would be amended by H.R. 7309.

[11] See WIOA §101(b)(2) and §107(b)(2)(F) as would be amended by H.R. 7309.

[12] Current statute does not address this issue. Current regulations allow states to use a non-merit staff for Employment Service staff, see Final Rule, "Wagner-Peyser Act Staffing Flexibility," *Federal Register*, January 6, 2020. Prior regulations required the use of merit staff.

[13] H.R. 7309 would modify WIOA §3 to expand the definition of "Individual with a barrier to employment" to include "Individuals who have been historically underserved and marginalized as a result of race, color, national origin, sexual orientation, or gender identity."

[14] For example, the bill would amend WIOA §102 to require that state plans include a description of how "the state will work with local areas to achieve equitable service delivery and outcomes for individuals with barriers to employment and the bill would amend WIOA §107 to require that local board and one-stop staff receive training on "how to improve and ensure equitable service delivery and outcomes for individuals who have been historically underserved, marginalized, and adversely affected as a result of race, ethnicity, or gender, including training on customer-centered service delivery, gender and racial bias, cultural competence, occupational stereotyping, and strategies for increasing participant and worker voice."

[15] See WIOA §121(h).

[16] Specifically, WIOA §121(h)(1) as would be modified by H.R. 7309 specifies that "not more than 10 percent of the funds allotted under sections 127 (WIOA Youth Activities), 132 (WIOA Adult Activities and Dislocated Worker Activities), and 211 (Adult Education State Grants), and section 6 of the Wagner-Peyser Act (Employment Service) shall be used to fund the costs of infrastructure of one-stop centers in local areas[.]"

[17] See WIOA §122 as would be amended by H.R. 7309.

Formula Grant Programs

WIOA authorizes three formula grants that support career services and training for specified populations: Youth Activities, Adult Activities, and Dislocated Worker Activities. Statute specifies eligibility and allowable uses for each funding stream. Funds are administered through state and local workforce systems.

H.R. 7309 Formula Grant Provisions

H.R. 7309 would increase the authorization of appropriations for all three formula grant programs relative to current law. Relative to current law in percentage terms, the proposed increases for Adult Activities and Dislocated Worker Activities are larger than the proposed increases for Youth Activities, though the bill would also establish a new formula grant program supporting Summer and Year-Round Employment for Youth (see **Table 1** for funding; the new program is described in "New Program Authorizations in WIOA Title I").

Operational changes to the formula grant programs would include

- *Youth activities eligibility*. Under current law, the Youth Activities program establishes separate eligibility criteria for in-school and out-of-school youth and requires that 75% of youth formula funds be used for activities for out-of-school youth. H.R. 7309 would eliminate this distinction and created a united "eligible youth" definition.[18]
- *Adult activities priority*. Current law specifies that low-income individuals and certain basic skill deficient individuals shall be given priority to funding under the Adult Activities program, but does not specify a minimum threshold. H.R. 7309 would amend this provision to specify that 75% of such funds shall be used to provide services to workers with barriers to employment, low-income individuals, and individuals who have foundational skill needs.[19]
- *Supportive services*. Current law specifies that supportive services for program participants (e.g., transportation or child care assistance) are an allowable use of WIOA funds. H.R. 7309 would establish that a portion of funds allocated to local boards shall be used for supportive services, but does not specify a minimum threshold.[20]
- *Incumbent worker training and transitional jobs*. Under current law, incumbent worker training and transitional jobs (e.g., time-limited subsidized employment and supportive services designed to lead to entry in unsubsidized employment) are allowable uses of local WIOA funds but may not exceed 20% and 10% of total local funds, respectively. H.R. 7309 would increase these limits to 25% and 40%, respectively.[21]

[18] See new definition to "eligible youth" in WIOA §3(21) as would be amended by H.R. 7309 and references to the term throughout the amended statute.

[19] See WIOA §134(c)(3)(E) under current law and as would be amended by H.R. 7309.

[20] See WIOA §134(c)(4) as would be amended by H.R. 7309. See also WIOA §3(65) as amended by H.R. 7309 which would expanded the statutory definition of supportive services.

[21] See WIOA §134(d) as would be amended by H.R. 7309.

Performance Accountability

WIOA establishes a performance accountability system that applies across WIOA core programs, including the three Title I formula grant programs. The system is based on six *primary indicators of performance* related to program exiters' employment outcomes, earnings of employed participants, credential attainment, and effectiveness in serving employers.[22] States' required performance levels are negotiated with DOL. States that fail to meet their negotiated levels of performance two years in a row are subject to possible funding reductions.[23]

The performance accountability provisions of WIOA include additional metrics that states must report but cannot be the basis of corrective action from DOL.

H.R. 7309 Performance Accountability Provisions

The bill would generally retain the accountability system and its function in the grant programs. Key changes would include

- *Primary indicators of performance*. H.R. 7309 would establish an additional primary indicator of earnings in the fourth quarter after exit, and eliminate the effectiveness in serving employers metric as a primary indicator.[24]
- *Additional indicators*. Under current law, states may identify additional performance indicators in state plans. H.R. 7309 would authorize DOL to identify "additional indicators related to the quality of participants' unsubsidized employment after exit from a program."[25]
- *State equity reports*. H.R. 7309 would require states to issue state equity reports that would "identify and quantify any disparities or gaps in performance on such levels of performance" between individuals with barriers to employment and individuals without such barriers to employment.[26]

Job Corps[27]

WIOA authorizes the Job Corps program, which supports the operation of approximately 120 residential facilities that provide career training and other services to disadvantaged youth.[28] Funds for the Job Corps program are appropriated annually to DOL, which administers the program and contracts with private organizations to run centers. For state planning and performance accountability purposes, Job Corps is not a core WIOA program.

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[22] For more detail on the performance accountability system, see Section 116 of WIOA and the corresponding section of the previously-cited CRS Report R44254, *Cargo Preferences for U.S.-Flag Shipping*.

[23] See WIOA §116(f) under current law.

[24] See WIOA §116(b)(2)(A) under current law and as would be amended by H.R. 7309.

[25] See WIOA §116(b)(2)(B)(ii) as would be amended by H.R. 7309. Such factors may include "availability of paid time off, health, and retirement benefits, workplace safety and non-discrimination standards, predictable and stable work schedule, stackable credentials, and advancement opportunities."

[26] See WIOA §116(f) as would be amended by H.R. 7309.

[27] This section was prepared by Adam Edgerton, .

[28] Job Corps was established by the Economic Opportunity Act of 1964 (P.L. 88-452). It has historically been reauthorized in conjunction with federal workforce development legislation, including the Job Training Partnership Act of 1982 (P.L. 97-889), the Workforce Investment Act of 1998 (P.L. 105-220), and WIOA in 2014.

H.R. 7309 Job Corps Provisions

- *Terminology*. H.R. 7309 would amend the "Job Corps center" term, changing it to "Job Corps campus" to emphasize the educational mission of the program.
- *Eligibility requirements.* H.R. 7309 would repeal the 20% limit on older Job Corps participants between the ages of 22 and 24. The bill would allow students to self-attest to income eligibility.[29] Pregnant individuals would be explicitly eligible and veterans up to age 24 would be eligible.
- *Recruitment.* Recruitment would be streamlined as the Secretary would be able to assist in the development of joint applications for Job Corps, YouthBuild, and youth workforce investment activities. The bill would remove a prohibition on payments as compensation for referring the names of applicants for the Job Corps.
- *Selection of Operators and service providers*. The selection of Job Corps campus operators would depend upon additional metrics, including participant credentials earned, median wages, and "a record of successfully operating a safe learning and residential environment for opportunity youth." The length of contracts would be for a maximum of four years instead of two years.
- *Transitional services.* Campuses would be able to provide 12 months of employment services for former enrollees instead of 3 months, and graduates would be able to reside on campus for a month after graduation in order to facilitate their transition into independent living and employment.
- *Behavior and conduct.* Zero tolerance policies would remain, but campus directors would submit a behavioral management plan to the Secretary for approval. This plan would rely on evidence-based research and include positive behavioral interventions and supports as well as multi-tier disciplinary systems.
- *Wage regulation*. Operators and service providers, including subcontractors, would now be subject to the McNamara-O'Hara Service Contract Act of 1965, which requires the payment of prevailing wages to covered workers. Instructional employees would be considered service employees, and wages would be closely correlated with those employed by public education providers in the locality. Campuses would have 60 days to implement these changes.

New Program Authorizations in WIOA Title I[30]

H.R. 7309 would establish several new programs and corresponding authorizations of appropriations in WIOA. Most programs would be established in Subtitle D of Title I of WIOA, which houses *National Programs*, a group of mostly competitive grant programs.[31] In some cases, the new programs are similar to existing efforts at DOL that have been established in recent

[29] The self-attestation procedures would follow those in the TRIO program authorized under the Higher Education Act, see HEA §402A(e), 20 U.S.C. 1070a-11(e).

[30] This section does not describe all new program authorizations that would be created by H.R. 7309. **Table 1** includes all authorizations of appropriations under H.R. 7309.

[31] The exception is the Summer and Year-Round Employment for Youth program, which would be in Subtitle B of Title I, which houses the three primary formula grant programs.

appropriations laws. In other cases, the new program authorizations would represent grant programs that do not directly correspond with recent DOL-administered programs.

H.R. 7309 would codify several competitive grant programs that are similar to efforts were carried out in recent years (including FY2022) using WIOA-authorized funds. From a budgetary standpoint, the most significant authorizations would include

Reentry Employment Opportunities. Since FY2015, annual appropriations acts have directed funding to competitive grants that support the employment of justice-involved individuals. These appropriations have been authorized under the broad authority in WIOA Section 169.[32] H.R. 7309 would codify a permanent authority for similar activities in a new Section 173 of WIOA. Eligible grantees would include a variety of public and private entities and allowable activities would include a range of services to facilitate participants' reentry to the labor market. The authorization directs DOL to conduct an evaluation no later than five years after the first award. The bill would authorize $250 million for these activities in FY2023. The authorization would increase each year to $500 million in FY2028.

Strengthening Community Colleges and Training Grants Program. Since FY2020, annual appropriations acts have directed a portion of the funds from the Dislocated Worker National Reserve for the purpose of "developing, offering, or improving educational or career training programs at community colleges."[33] H.R. 7309 would codify a similar activities in a new Section 173 of WIOA. The authorization would establish the authority for grants to eligible institutions of higher education the predominantly award associate degrees and partner with employers in in-demand industries and sectors. The authorization would direct DOL to conduct an evaluation no later than five years after the award of the first award. The bill would authorize $100 million for these activities in FY2023. The authorization would increase each year to $161 million in FY2028.

H.R. 7309 would establish other new grant programs that are not immediately similar to other recently-funded programs at DOL:

- *Summer and Year-Round Employment for Youth*. This program would be established in a new Section 130 of WIOA and would provide formula grants to states to support employment and job readiness programs for eligible youth. Funds would be allotted to states on the basis of each state's relative share of Youth Activities funding. Program funds could be used to support program development, subsidize participant wages, and support related work readiness activities. With approval of the Governor, the bill would authorize 100% transfer authority between local areas' formula funds in this program and the Youth Activities program.[34] The bill would authorize about $927 million for this program in FY2023. The authorization would increase each year to about $1.49 billion in FY2028.

[32] WIOA §169 authorizes DOL to conduct several categories of evaluation and research activities, including "multistate projects ... to effectively disseminate best practices and models for implementing employment and training services, address the specialized employment and training needs of particular service populations" in WIOA §169(b)(5).

[33] For details on the grant supported by the FY2021 funding, see the full Funding Opportunity Announcement (FOA) at https://www.dol.gov/sites/dolgov/files/ETA/grants/pdfs/Foa_Content_of_FOA-ETA-22-02.pdf. This FOA states that the grants are authorized under Section 169(c) of WIOA.

[34] See WIOA §128(b)(5) as would be amended by H.R. 7309. This could, for example, allow states to use these funds to support activities authorized under Youth Activities.

- *Sectoral Employment through Career Training and Occupational Readiness (SECTOR) Program*. This program would be established in a new Section 174 of WIOA and would provide a combination of formula grants (80% of funding) and competitive grants (20% of funding) to support the development and expansion of industry or sector partnerships.[35] Allowable uses for both the formula and competitive funds include convening stakeholders to refine training and employment efforts and providing or arranging the provision of services to assist individuals with barriers to employment to complete and transition out of training programs. With approval of the Governor, the bill would authorize 100% transfer authority between local areas' formula funds in this program and the Adult Activities program.[36] The bill would authorize $1.0 billion for FY2023. The authorization would increase each year to about $1.6 billion in FY2028.

Title II: Adult Education and Family Literacy

Title II of WIOA is the Adult Education and Family Literacy Act (AEFLA).[37] Under the authorization AEFLA, ED makes grants to states to support services to improve literacy and other basic skills among adults who are not enrolled in school. Commonly called "adult education," the activities funded by AEFLA provide educational services to adults at the secondary level and below, as well as English language training.[38]

H.R. 7309 AEFLA Provisions

H.R. 7309 would authorize AEFLA appropriations for fiscal years 2023 through 2028. It would retain the general structure, administration and funding streams in current law. Programmatic changes include

- *Performance accountability*. Under current law, AEFLA grantees are subject to the same performance accountability system as other core WIOA programs. H.R. 7309 would retain this system but also give ED the authority to authorize a state agency or a consortium of state agencies the to implement "an innovative performance accountability system that uses alternative primary indications of performance that reflect the objectives and activities of the entity's adult education and family literacy programs and measure the attainment of the education and employment goals of the participants in such programs."[39]
- *Professional development*. Under current law, local administrative costs may not exceed 5% of federal funding and professional development is considered an

[35] WIOA defines an industry or sector partnership as collaboration convened or acting in partnerships with a workforce development board that "organizes key stakeholders in an industry cluster into a working group that focuses on the shared goals and human resources needs of the industry cluster." Partners include representatives from multiple businesses or other employers, representatives from the workforce, and representatives from training providers. Other stakeholders may also be included.

[36] See WIOA 174(b)(1)(C) as would be amended by H.R. 7309. This could, for example, allow grantees to use SECTOR funds to support activities authorized under Adult Activities.

[37] This report and other sources use "AEFLA" and "WIOA Title II" interchangeably.

[38] For more information on current law AEFLA, see CRS Report R43789, *Adult Education and Family Literacy Act: Major Statutory Provisions*.

[39] See AEFLA §212 as would be amended by H.R. 7309.

administrative cost. H.R. 7309 would retain the 5% limit on administrative costs but would establish a separate 10% limit for professional development.

Table 2. Authorizations of Appropriations in AEFLA, as proposed in H.R. 7309

(by fiscal year, in millions of dollars)

Program	Actual 2022	Authorization in H.R. 7309					
		2023	2024	2025	2026	2027	2028
Adult Education	704.2	785.1	824.4	865.6	908.9	954.3	1,002.0

Source: CRS analysis of P.L. 117-103, Consolidated Appropriations Act, 2022 and H.R. 7309, as ordered reported by the House Committee on Education and Labor in the 117th Congress.

Title III: Amendments to the Wagner-Peyser Act

Title III of WIOA amends the Wagner-Peyser Act.[40] WIOA authorizes appropriations for Workforce and Labor Market System Information. These funds support both federal and state data tools and workforce information resources.[41]

The Employment Service (ES) is a formula grant authorized by the Wagner-Peyser Act that is a core WIOA program for planning and performance accountability purposes. The ES has a permanent authorization of appropriations, so WIOA does not authorize appropriations for the ES.

H.R. 7309 Wagner-Peyser Act Provisions

H.R. 7309 would extend the authorization of appropriations for the Workforce and Labor Market System Information. Authorized funding levels would increase each year and are presented in **Table 3**.

Table 3. Authorizations of Appropriations in the Wagner-Peyser Act, as proposed in H.R. 7309

(by fiscal year, in millions of dollars)

Program	Actual 2022	Authorization in H.R. 7309					
		2023	2024	2025	2026	2027	2028
Workforce and Labor Market System Information	62.7	74.4	78.1	82.0	86.1	90.4	94.9

Source: CRS analysis of P.L. 117-103, Consolidated Appropriations Act, 2022 and H.R. 7309, as ordered reported by the House Committee on Education and Labor in the 117th Congress.

[40] The Wagner-Peyser Act was originally enacted in 1933. It is permanently codified at 29 U.S.C. 49 et seq.

[41] For more information on recent activities, see the "Workforce Information/Electronic Tools/System Building" section of the State Unemployment Insurance and Employment Service Operations chapter of the FY2023 DOL https://www.dol.gov/sites/dolgov/files/general/budget/2023/CBJ-2023-V1-07.pdf.

Title IV: Amendments to the Rehabilitation Act[42]

Title IV of WIOA amends the Rehabilitation Act of 1973 and authorizes funding for vocational rehabilitation services for individuals with disabilities. Most programs under the Rehabilitation Act are related to the employment and independent living of individuals with disabilities and most of the authorized programs are administered by ED.

The Vocational Rehabilitation State Grants program is the largest program under the Rehabilitation Act, with its funding accounting for approximately 90% of all funding appropriated for programs authorized by Rehabilitation Act in FY2022. The program makes grants to state vocational rehabilitation agencies to support individuals with disabilities to prepare for and engage in employment.[43]

Unlike the other programs authorized under the Rehabilitation Act, the Vocational Rehabilitation State Grants program is funded through mandatory spending. Under current law, a fixed dollar amount was authorized to be appropriated for FY2015 through FY2020, but statute requires that the amount actually appropriated be equal to at least the prior year's appropriation plus an increase equal to inflation.[44]

H.R. 7309 Rehabilitation Act Provisions

H.R. 7309 would authorize appropriations from FY2023 through FY2028 for programs authorized under the Rehabilitation Act. In most cases, it authorizes definite amounts that would be an increase other the FY2022 appropriated levels.

For the Vocational Rehabilitation State Grants, H.R. 7309 would authorize appropriations of "such sums as may be necessary" for FY2023 through FY2028. The bill would set the FY2023 appropriation at $4.05 billion and require that appropriations for each succeeding fiscal year equal at least the prior year's appropriation plus an increase equal to inflation.[45]

[42] This section was prepared by Kyle Shohfi, .

[43] For more information about the Vocational Rehabilitation State Grants program, see CRS Report R43855, *Rehabilitation Act: Vocational Rehabilitation State Grants*.

[44] Rehabilitation Act of 1973, as amended, §110(b).

[45] Rehabilitation Act of 1973, as amended, §110(b) as would be amended by H.R. 7309.

Table 4. Authorizations of Appropriations in the Rehabilitation Act as proposed in H.R. 7309

(by fiscal year, in millions of dollars)

Program	Actual 2022	Authorization in H.R. 7309					
		2023	2024	2025	2026	2027	2028
Vocational Rehabilitation State Grants	3,719.1[a]	Such sums[b]	Such sums[b]	Such sums[b]	Such sums[b]	Such sums[b]	Such sums[b]
Client Assistance Program	13.0	15.5	16.3	17.1	18.0	18.8	19.8
National Institute on Disability, Independent Living, and Rehabilitation Research	116.5	134.4	141.1	148.1	155.5	163.3	171.5
Training	29.4	43.5	45.7	48.0	50.3	52.9	55.5
Demonstration and Training Programs	5.8	7.5	7.9	8.3	8.7	9.1	9.6
National Council on Disability	3.5	4.1	4.3	4.5	4.8	5.0	5.3
Access Board	9.8	10.8	11.4	11.9	12.5	13.2	13.8
Protection and Advocacy of Individual Rights	19.2	22.8	23.9	25.1	26.4	27.7	29.1
Supported Employment	22.5	35.6	37.4	39.2	41.2	43.3	45.4
Independent Living – Services	(See note)[c]	29.6	31.0	32.6	34.2	35.9	37.7
Independent Living – Centers	(See note)[c]	101.2	106.3	111.6	117.1	123.0	129.1
Independent Living – Services to the Blind	33.3	43.1	45.2	47.5	49.8	52.3	55.0

Source: CRS analysis of P.L. 117-103, Consolidated Appropriations Act, 2022; Department of Education FY2023 President's Budget Request table; and H.R. 7309, as ordered reported by the House Committee on Education and Labor in the 117th Congress.

Notes:

a. Vocational Rehabilitation Grants to States are mandatory spending and subject to sequestration. The FY2022 amount in the table reflects the pre-sequestration appropriation level.

b. The bill would authorize to be appropriated such sums as may be necessary for fiscal years 2023 through 2028 and would require the amount to be appropriated for FY2023 to be at least $4,052,400,000. For FY2024 and succeeding years, the bill would require the amount to be appropriated to be no less than the amount appropriated in the prior year adjusted for inflation.

c. The FY2022 omnibus provided a combined $118,183,000 for Independent Living Services and Centers but did not specify the funding level for each program.

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