

Dear Leader Schumer, Leader McConnell, Speaker Johnson, and Leader Jeffries:

States are facing a work crisis, and more Americans than ever are on the sidelines. There are 8.9 million open jobs in this country, and the workforce participation rate has not fully recovered from the COVID-19 pandemic. Many states have not fully rebounded. By the end of 2023, there were 41 million Americans relying on food stamps and nearly 90 million Americans relying on Medicaid. Many citizens remain on the sidelines even as our employers cannot find workers to fill jobs. Our top priority must be to solve our workforce crisis.

There is a clear path forward. Congress must change federal law and create a One-Door State Option in federal Workforce Innovation and Opportunity Act (WIOA), as included in the bipartisan H.R. 6655 and introduced by Representative Burgess Owens (UT) and Senator Mitt Romney (UT) in the One Door to Work Act (H.R. 6274 and S. 3825). This would give our states the flexibility to integrate our safety net and workforce systems and move more citizens out of poverty and into work.

Why are the safety net and workforce systems separate? WIOA currently restricts the consolidation of federally funded employment and job training services with other federally funded safety net services. The majority of WIOA funding for youth, adults, and dislocated workers bypasses the state and is sent directly to the federally designated local workforce development boards, also called “one stop centers.” This creates a disconnect between our workforce system and the state offices that operate safety net programs like Medicaid, food stamps, and TANF. Because of this, there is an administrative estrangement between state-run safety net programs and the local workforce services that serve the same beneficiaries.

This prevents our states from responding to the millions of our citizens out of the workforce. A September 2023 Louisiana audit of the WIOA program revealed that WIOA is now serving fewer eligible individuals, participants are making less money upon completion, and are not working in the career they are training for. Citizens deserve better outcomes.

The Workforce Innovation and Opportunity Act of 2014 prohibits the Secretary of Labor from waiving requirements related to the funding to local areas.^[1] However, Utah is the exception. For nearly 30 years, Utah has been allowed to operate with a fully integrated federal and state system for both human and workforce services.^[2] Why? Because under both WIOA and its predecessor law WIA, federal lawmakers included a grandfathering provision that permits states to have a single state local area designation only if they already had one prior to passage of the acts, which Utah did.^[3] Any state currently not operating under a single state local area designation cannot become one under current federal law.^[4]

Yet, if federal law permitted states to opt into single-state designation, our states would be able to integrate our safety net and workforce systems and produce better outcomes for our citizens. When compared to every other state, Utah was able to limit its job loss and show the quickest job recovery from the impact of the COVID-19 pandemic. Utah leads all other states on the percentage of jobs recovered that were lost at the onset of the pandemic in February 2020. For every one job lost, Utah has gained two. Meanwhile, fifteen states still have not recovered their lost jobs.

The reality is that every state should have the flexibility to design an integrated workforce and safety net model that enables people to succeed. Every hour a safety-net recipient spends finding their way through the system is an hour they can't spend working their way into opportunity. From an administrative point of view, streamlining reduces redundancies, conflicts, and costs, ultimately saving both federal and state taxpayers' funds.

At a personal level, a robust workforce is not only integral to a thriving state economy, but also to its social fabric. When a person is unemployed for longer than six months, it is associated with decreased well-being, even measurably affecting mortality, reducing life expectancy by as much as a year and a half. When parents who were formerly dependent on welfare find employment, we see increased physical health as well as emotional and psychological wellbeing. There are even better health and behavioral outcomes for their children.

Several state legislatures have taken every available step to coordinate eligibility systems of all programs. This includes independent efficiency audits of all the programs to find common ground for consolidation and streamlining.

- Texas created a taskforce to develop a plan to consolidate workforce development and human service programs.^[5] Texas also passed a resolution calling on Congress to amend federal law to allow states to provide for the consolidation of federally funded workforce development services with federally funded social safety net services.^[6]
- Louisiana passed a resolution requiring an audit of coordination between their SNAP, WIOA, TANF, and CCAP programs.^[7]
- North Carolina passed legislation directing the Secretary of the Department of Commerce to develop a plan to create a seamless, statewide, comprehensive workforce development program.^[8]

Despite these good and necessary first steps by state leaders, federal law must change for real improvement. If we want better outcomes and better program experiences, federal law must be changed to allow states to reform their workforce and safety net systems.

The states are uniquely positioned to best understand the needs of our state citizens, and WIOA flexibility represents a needed tool to meet those needs. While WIOA has not delivered on its aims of adequately helping America's workforce, this flexibility represents a tool to better empower states to provide better outcomes for their citizens.

We urge you to work in a bipartisan manner to pass a WIOA Reauthorization with a One Door state option that reforms crucial program coordination to allow all our citizens to find work and lives of meaning.

Signed,

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[1] 29 U.S. Code Section 3121

[2] Mason M. Bishop, Utah Department of Workforce Services: A system integration model (American Enterprise Institute, 2020), <https://www.aei.org/research-products/report/utah-department-of-workforce-services-a-system-integration-model> (accessed May 3, 2023)

[3] Workforce Innovation Act of 1998, and Workforce Innovation and Opportunity Act of 2014

[4] In 2017, Maine Governor Paul LePage requested that the Department of Labor approve a waiver to combine his state's three workforce development boards serving different geographical locations into one statewide board with a single-state local area designation. The Department of Labor rejected the waiver request.

[5] Texas Legislature 2023, Senate Bill 2315, <https://capitol.texas.gov/BillLookup/History.aspx?LegSess=88R&Bill=SB2315> (accessed July 23, 2023).

[6] Texas Legislature 2023, Senate Bill SRC 26, <https://capitol.texas.gov/BillLookup/Text.aspx?LegSess=88R&Bill=SCR26> (accessed July 23, 2023).

[7] Louisiana State House 2023 Regular Session House Resolution No. <https://legis.la.gov/legis/ViewDocument.aspx?d=1322425> (accessed July 23, 2023).

[8] General Assembly of North Carolina Session 2023, House Bill 76, <https://www.ncleg.gov/Sessions/2023/Bills/House/PDF/H76v4.pdf> (accessed July 23, 2023).