

The currently proposed 50% training expenditure mandate does not adequately address the need to provide the supports necessary to ensure the success of all participants. This includes individuals who need supportive services to be able to attend training, and individuals who don't need training, but instead need removal of other barriers to employment, like transportation, childcare, tools, uniforms, career coaching, mentorship, etc. If implemented as proposed, the new mandate will cause the system to serve less businesses and less jobseekers.

In our local area, over the past two program years (PY21 and PY22), we expended an average of \$15.4M⁽¹⁾ of ADW funds annually. With the annual average of \$15.4M in expenditures, the system served 2,098⁽²⁾ WIOA ADW Title I participants per year of which 1,377⁽³⁾ received training. Annually, there were an additional 3,497⁽⁴⁾ individuals who received basic career services. Although the proposed 50% minimum training requirement, would slightly increase the number of individuals trained, the resulting shift of \$2.0M⁽⁵⁾ of resources to training, would result in a net reduction of approximately 680⁽⁶⁾ individuals served in WIOA ADW Title I programs and an additional reduction of 1,133⁽⁷⁾ individuals who would normally receive basic career services in the American Job Centers (AJCs). The populations that are most frequently served by WIOA Title I face some of the greatest barriers to obtaining family-sustaining employment, but not all need training. Some need wraparound supportive services to ensure their success. Some need both. The proposed minimum training mandate does not support this balance and has the potential for many unintended consequences that are likely at odds with the core goal of removing any and all barriers to employment.

The negative effects in our local area would include the reduction of access to WIOA ADW Title I programs for 722⁽⁸⁾ individuals representing almost exclusively low-income individuals and veterans. Similarly, the wages associated with program outcomes would drop significantly. The current system generates \$51.0M⁽⁹⁾ in wages annually. The proposed 50% training expenditure requirement would reduce annualized wages associated with outcomes by \$13.3M⁽¹⁰⁾ representing a 26.1%⁽¹¹⁾ decrease. Although training related wages would increase by \$1.1M⁽¹²⁾, the decrease of 722 individuals served in WIOA ADW Title I programs would drive a decrease of \$14.4M⁽¹³⁾ in annualized wages. The reduction in basic career services for 1,133 individuals in AJCs will further negatively impact employers still desperately looking for ready workers. When it comes to system access, the shift of resources would reduce access points to businesses and jobseekers in need, by an estimated eight⁽¹⁴⁾ AJCs. In addition to a reduction of ready workers to meet the needs of employers, the number of businesses served by the system would decrease by 283⁽¹⁵⁾ annually and the number of services provided to businesses would have an associated decrease of 814⁽¹⁶⁾. If enacted as currently proposed, the new minimum training expenditure mandate will prevent and businesses and jobseekers in our local area from accessing the resources they need to drive sustainable economic development.

Analysis of Proposed 50% Training Requirement						
	Current	% of Allocation	50% Proposed	% of Allocation	Inc/ (Dec)	% Inc/ (Dec)
Board	\$2,306,471	15.00%	\$2,306,471	15.00%	\$0	0.00%
Training	\$5,665,000	36.84%	\$7,688,235	50.00%	\$2,023,235	35.71%
Supports	\$660,000	4.29%	\$822,641	5.35%	\$162,641	24.64%
Operator & Other Costs	\$6,745,000	43.87%	\$4,559,124	29.65%	(\$2,185,876)	(32.41%)
Sub-Awards	\$13,070,000	85.00%	\$13,070,000	85.00%	\$0	0.00%
Total Allocation	\$15,376,471	100.00%	\$15,376,471	100.00%	\$0	0.00%
Number Served (WIOA Title I)	2,098		1,418		(680)	(32.41%)
Number Trained (WIOA Title I)	1,377		1,418		42	3.02%
Number Not Trained	722		0		(722)	(100.00%)
Number Served (Basic Career Services Only)	3,497		2,363		(1,133)	(32.41%)
Total Wage Pool	\$50,970,000		\$37,649,040		(\$13,320,960)	(26.13%)
Training Wage Pool	\$36,544,770		\$37,649,040		\$1,104,270	3.02%
No Training Wage Pool	\$14,425,230		\$0		(\$14,425,230)	(100.00%)
Return on Investment (ROI) (months)	3.1		4.2			
Cost per Served	\$6,230		\$9,217		\$2,987	47.95%
Other and Operator Other Cost per Served	\$3,215		\$3,215		\$0	0.00%
Training Percentage	65.5%		100%		34%	
Career Center Front-Line Staff	104		71		(34)	
# Centers	24		16		(8)	
Business Hub Staff	8		5		(3)	
# Business Hubs	5		5		0	
# Businesses Served	873		590		(283)	
# Business Services Supplied	2,512		1,698		(814)	