

THE CAREER ACT

Sen. Rob Portman (R-OH) Sen. Michael Bennet (D-CO)

WHY IS REFORM NEEDED?

The federal government's 47 workforce development programs are falling short. Despite tens of billions of federal dollars going to these programs every year, they have failed to equip workers with the skills they need to get good paying jobs in today's workplace. The numbers do not lie: nearly 20 million Americans are looking for work and yet employers across the country are having difficulty filling 3.7 million open positions.

Part of the problem is that **the federal government's job training programs are disorganized, inefficient and often duplicative.** A 2011 report by the Government Accountability Office (GAO), Washington's own investigative watchdog, showed that 44 of the 47 different federal employment and training programs "overlap with at least one other program" and that 9 different federal departments and agencies administer the programs.

In addition, the system desperately needs more accountability. The 2011 report discovered that **only 5 of the 47 programs had conducted any impact studies since 2004**, a fact that led GAO to determine that "little is known about the effectiveness of most programs."

WHAT THE CAREER ACT ACCOMPLISHES:

The purpose of the CAREER Act is four-fold: (1) reorganize the federal government's programs to make them more efficient, (2) give community colleges, career tech institutions and other key educators *priority* access to dollars for training that equips workers with the credentials and other skills that are in-demand by industry, (3) introduce much needed accountability to job training by rewarding results and penalizing complacency, and (4) provide states and local stakeholders with access to the data they need to track the impact of their programs.

KEY PROVISIONS:

- 1. Providing a Job Training Reorganization Plan to Streamline the Federal Workforce System.** This provision requires the President to report to Congress within twelve months of enactment a plan to increase efficiency among the federal training programs by decreasing the number of federal job training programs without decreasing services or accessibility to services by eligible training participants.
- 2. Steer Federal Retraining Dollars Toward Skills Needed by Industry.** This provision requires the states and local workforce areas to give priority consideration to training programs that equip workers with credentials that are in-demand by industry, relevant regionally and recognized on a national scale.
- 3. Establish Better Incentives for Accountability.** This provision establishes a pilot program (designed by states in consultation with key stakeholders) that gives states flexibility to use up to 25 percent of their WIA formula funds on training that is accountable and performance-based. Job training providers in this pilot program will only be reimbursed for their services if they deliver certain pre-negotiated positive outcomes like job placement and retention. This will ensure that these programs are accountable and actually produce measurable results.
- 4. Provide New Access to Database to Connect Unemployed to Jobs.** This provision authorizes state workforce agencies to have access to the National Directory of New Hires – an existing database – to track job training outcomes across state lines. This is currently very difficult to do.