

THE CAREER ACT AND COMMUNITY COLLEGES

Sen. Rob Portman Sen. Michael Bennet

Community colleges can be the most effective and best providers of workforce development services funded under the Workforce Investment Act (WIA). They often have the human capital, the organizational bandwidth, and the existing partnerships with the business community to best equip prospective workers with relevant skills.

In light of these facts, the CAREER Act is designed to make it easier for community colleges (and other qualified training providers such as Career Tech centers) to provide job training services under WIA. Two provisions stand out:

Section 2. Steer Federal Retraining Dollars Toward Skills Needed by Industry.

The CAREER Act requires the states and local workforce areas to give priority consideration to training programs that equip participants with credentials that are in-demand by industry. Because community colleges are so well positioned to deliver these services, this provision will make it easier for them to access training dollars under WIA.

Section 3. Pay-for-Performance Pilot Program.

The CAREER Act establishes a pilot program under which the training providers in participating states are paid based on their performance. Here, many community colleges will have an advantage because they have a track record of producing successful outcomes and are ideal candidates for the delivery of services under the pilot program. There will be strong economic incentives through the pilot program to provide the high quality services.

In addition the bill includes the following provisions:

Section 4: 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. The plan shall take into consideration the findings of the January 2011 Government Accountability Office report (GAO-11-92).

Section 5: 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 free of charge to track job training outcomes. The Directory exists to track the employment of workers across state lines for a number of different purposes – ranging from child support to employment insurance. State workforce agencies already have access to the Directory for the administration of federal unemployment insurance programs. This bill would simply authorize these same state workforce agencies to use the data to track the effectiveness of their job training programs.