

Maximizing the Impact of Federal Vocational Training Dollars

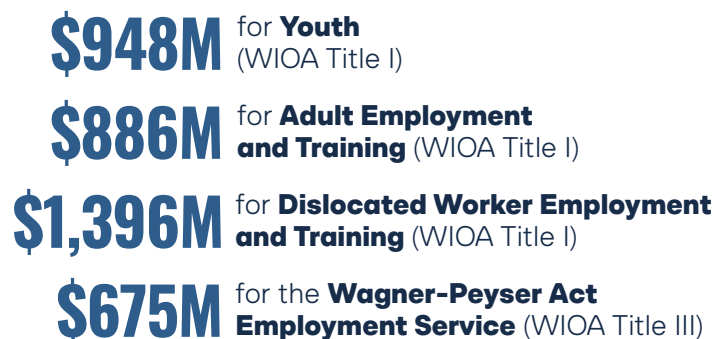
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Background: U.S. Spending on Vocational Training

Approximately \$34B in federal funding is spent annually on workforce-oriented education and training. Roughly \$14B flows through Pell Grants supporting higher education programs that could be defined as job-oriented. Post-9/11 GI educational benefits contribute an additional \$10B.¹ The remaining ~\$10B is provided through the Workforce Innovation and Opportunity Act (WIOA) and Perkins Career and Technical Education programs, where the Department of Labor and the Department of Education have the greatest ability to directly incentivize training aligned with labor market demand.

WIOA and Perkins form the backbone of federal job-training policy and strongly shape state Career and Technical Education systems. Despite more than \$10B in annual funding, outcome reporting under these programs remains inconsistent, weakly verified, and often incomplete. Although Congress requires employment and earnings metrics, poor data standards and limited cross-agency wage matching allow funding to continue flowing to low-performing programs with little accountability. By enforcing existing requirements, standardizing performance reporting, and tying funding to verified job outcomes, the Departments of Labor and Education can ensure taxpayer dollars support training that leads to real employment in high-demand fields.

The Workforce Innovation and Opportunity Act (WIOA) funds six core workforce programs. In Program Year 2025, four core programs housed at the Department of Labor received the following appropriations:



Additionally, the Vocational Rehabilitation program (WIOA Title IV) under the Department of Education received approximately \$4B appropriations in FY2024, and the Adult Education and Family Literacy program (WIOA Title II) receives about \$700M annually.

Annual WIOA funding totals approximately \$8.6B.

All WIOA core programs are subject to six federally required performance indicators under WIOA Section 116:

- Employment in Q2 and Q4 after exit
- Median earnings in Q2 after exit
- Credential attainment
- Measurable skill gains
- Effectiveness in serving employers

Federal minimum performance standards apply nationwide, while governors retain authority to impose additional requirements.

At a federal level, wage data is an underappreciated metric but is necessary to create clear incentives for community and technical colleges to place their students in the most in-demand jobs. This has shown a rapid transition in programs. Texas has led the way on this front, choosing to tie technical colleges' funding directly to the wages students earn after graduation. The change paid off. Within five years, graduates' wages rose 36% as TSTC phased out low-performing programs and concentrated on training students for Texas's fastest-growing industries.

Eligible Training Providers

Providers apply through state workforce agencies, are reviewed by Local Workforce Development Boards, and receive final approval at the state level. Registered Apprenticeship Programs must be included upon sponsor request. Common Eligible Training Provider List participants include:

- Nonprofit workforce agencies (Goodwill, Jobs for the Future, community-based organizations, workforce intermediaries)
- Registered Apprenticeship Programs
- Community colleges and adult education providers
- City or county workforce departments

Perkins V, administered through the Education Department's Office of Career, Technical, and Adult Education (OCTAE), provides funding for secondary and postsecondary career and technical education, ranging from computer science to welding. It allocates \$1.4B annually to states, which determine the split between secondary and postsecondary institutions. Nationally, roughly 62% is allocated to secondary schools and 38% to postsecondary institutions.

Existing Data Gaps and Risks

Although WIOA establishes strong statutory performance metrics, state-level implementation has led to inconsistent compliance and large gaps in outcome reporting. The Department of Labor itself acknowledged as recently as January that WIOA performance data remains limited due to failures in collecting and validating wage information. Statutorily required outcome data remains missing or siloed even as states continue to receive billions in federal funding. These shortcomings undermine public trust, weaken fraud deterrence, and obscure whether workforce funds are benefiting eligible American workers.

The Department of Labor collects participant-level data through the Participant Individual Record Layout system, which relies on program-specific identifiers rather than verified wage records. This structure limits timely wage matching and produces employment and earnings outcomes that are delayed, incomplete, or unverifiable.

Outcome accountability is even weaker under Perkins V. The program includes only a single post-placement indicator and allows states to select from limited program quality measures for secondary grantees, such as postsecondary credential attainment, postsecondary credit attainment, or participation in work-based learning. Perkins V programs are overseen by the Department of Education's Office of Career, Technical, and Adult Education, while the Department of Labor has recently assumed a supporting role for administration, technical assistance, and coordination with WIOA Title II state plans.

Recommended Enhancements to Increase Accountability

The following reforms ensure federal vocational funding delivers real employment value and measurable outcomes:

1. Establish cross-agency data governance, matching, and sharing to validate employment and wage outcomes across DOL, ED, Treasury, and SSA. Earnings performance data is required but remains largely underreported in practice. Establishing an integrated, standardized data system will expose non-compliant grantees and allow the federal government to hold accountable states that fail to comply.
2. Develop a national data schema with standardized definitions, required formats, and reporting timelines for all WIOA programs, supported by proactive technical assistance to states.
3. Update regulations and guidance to enforce minimum standards for provider eligibility, verified wage outcomes, cost transparency, and credential validation.
4. Non-reporting or inconsistent providers should be removed from Eligible Training Provider Lists. Wage record validation is already authorized under WIOA Section 116.
5. Condition approval of state plans under WIOA Sections 102 and 103 on ETPL compliance and complete performance reporting.
6. Require all providers to use the SAVE system to verify workforce eligibility, not just state and local agencies.
7. Launch TrainingProviderResults.gov as the required national transparency portal, publishing validated quarterly data on outcomes, earnings, costs, and credentials.
8. Provide technical assistance for robust state longitudinal data systems linking education and workforce outcomes, with non-PII data publicly available.
9. Require all discretionary workforce and training grants to meet the same outcome and reporting standards as WIOA core programs.



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1. Jacoby, Tamar. The Indispensable Institution: Taking the Measure of Community College Workforce Education. Washington, DC: Opportunity America, September 2021. <https://opportunityamericaonline.org/ccstudy/>.