

Overview

The workforce investment system should recognize and strengthen workers' ownership of their careers, and provide more flexible resources and services designed to meet their changing needs. Studies have shown that workers make sound decisions about tapping resources to advance their careers when they have good information on available options. Workers need to be armed with as many choices as possible to gain the right skills and secure the best career opportunities.

Furthermore, federal job training dollars should be put directly in the hands of individuals. Therefore, funds appropriated for the following programs should be allocated to states as a single funding stream:

- Workforce Investment Act (WIA) Adult Program
- WIA Dislocated Worker Program
- WIA Youth Program
- Employment Service programs (including Employment Service formula grants, labor market information grants).

States would use these funds primarily to provide Career Advancement Accounts to individuals in need of employment assistance. Individuals receiving Career Advancement Accounts must use them to pay for expenses directly related to education and training. This funding also would be used by states to provide basic employment services such as career assessment, workforce information, and job search assistance to job seekers.

States would be required to use a minimum percentage of their state allocation (approximately 75 percent) for Career Advancement Accounts. Administrative costs for states would be similar to the 3 percent cap carried by many Department of Education programs. States would use the remaining funds (up to about 22 percent) to provide basic employment services to job seekers or employers. States and local areas would provide these services through community career centers – including, but not limited to, the existing One-Stop Career Centers -- or through partnerships with the private sector.

With lower administrative costs and the vast majority of funding used to finance the accounts, this proposal means that more individuals would participate in job training and attain new and higher level job skills. In fact, the number of individuals receiving Career Advancement Accounts would be more than triple the number of people receiving job training in the workforce investment system today.





Career Advancement Accounts Description

Career Advancement Accounts are self-managed accounts that enable current and future workers to gain the skills needed to successfully enter, navigate, and advance in 21st century jobs. The accounts would be available to workers entering the workforce or transitioning between jobs and careers. Incumbent workers in need of new skills could use them to remain employed or to move up the career ladder.

Community Career Centers

Under the Career Advancement Account proposal, the local workforce system presence would be transformed and made more efficient. States and local areas would maintain community career centers – including, but not limited to, the existing One-Stop Career Centers -- that provide basic employment services to job seekers and employers and access to the Career Advancement Accounts, or they could develop partnerships with the private sector to provide these services.

Relationship to Pell Grants

Pell Grants are available to undergraduates who have financial need and meet other requirements for federal Student Aid. Pell Grants are usually a foundation of student aid, to which assistance from other federal and non-federal sources might be added. Career Advancement Accounts are self-managed accounts that complement Pell Grants. They enable current and future workers to gain the skills needed to successfully enter, navigate, and advance in 21st century jobs without having to attend school more than half time.

