December 23, 2024

Dear Workforce Information Advisory Council Members:

Thank you for your report titled "Reimagining the Workforce and Labor Market Information System for the 21st Century." The Department of Labor (Department) appreciates your efforts, and the thoughtful recommendations outlined in the Workforce Information Advisory Council (WIAC) report. We will consider the recommendations as input for strengthening our current workforce and labor market information (WLMI) system which may help support recruiting and hiring people into good jobs. The Department provides the following responses to the recommendations in the WIAC report.

Recommendation 1. Strengthen the coverage and accuracy of the National Labor Exchange (NLx), so that it can serve as a low- or no-cost foundation for near-real-time WLMI products providing timely, accurate, and local skills-based information.

The Department will explore appropriate mechanisms to require all states and territories to post all vacancies within their state job banks with the NLx. The Department will also investigate partnership opportunities with the National Association of State Workforce Agencies (NASWA) regarding the expanded use of the NLx and prospects for leveraging the data in the NLx Research Hub to more effectively identify changing skill demands over time. The Department does not currently have resources available to directly fund the operations of the NLx or to issue competitive grant opportunities for NLx proof-of-concept projects and does not plan to pursue those aspects of the recommendation.

Recommendation 2. Encourage, incentivize, and enable open, innovative, and actionable information, reports, and dashboards that result from collaborative work among and between the state partners in the Workforce Innovation and Opportunity Act (WIOA) and WLMI communities. A collaborative approach will ensure that advancements made by any individual state, local, or tribal government can be shared by all of them and lift the whole WLMI system.

The Employment and Training Administration (ETA), in partnership with the Labor Market Information (LMI) Institute, has already started working towards this recommendation. They have created a Data User Insights Academy that brings together state LMI offices with WIOA customers who could benefit from working together to understand how the LMI offices can help the WIOA communities serve their customers and help WIOA communities make best use of state LMI offices as a valuable resource. The first two WIOA communities on which the Data User Insights Academy is focusing its efforts include state and local workforce boards (or their equivalent), and community colleges.

In addition, ETA funds the Workforce Information Technology Support Center (WITSC) at NASWA to support the collaboration of state WIOA program partners in implementing effective and creative data-informed, human-centered technology-based workforce solutions for system customers. In Fiscal Year 2025, WITSC will continue its efforts to build data literacy through events that equip workforce development staff with skills needed to understand, analyze, and interpret data and foster a data-driven culture within state agencies.

ETA also maintains an online community of practice called LMI Central on its WorkforceGPS website, which facilitates sharing and dissemination of information and tools among partners across the WLMI systems. ETA will continue to support this site and will explore ways to increase its use as a mechanism to further share practices and products.

Finally, in partnership with the Coleridge Initiative, NASWA, and the State of Arkansas, ETA has supported multiple rounds of applied data analytics training for state teams of WLMI staff. These training courses have focused on linking and analyzing data sources across multiple federal programs to better understand the impact of such programs on employment and wage outcomes and serve as a mechanism for learning and sharing across teams representing multiple states. To the extent feasible within available resources, the Department will continue to prioritize similar training and capacity-building opportunities for staff and leaders in the WLMI system.

Recommendation 3. Develop a national data sharing partnership with the U.S. Department of Transportation and their state counterparts to match and leverage demographic data collected from motor vehicle license applications with state payroll administrative data collected in the Unemployment Insurance (UI) program to enhance administrative data with much-needed demographic information and improve record matching throughout the system.

There are considerable administrative barriers at the national and state level for the Department to resolve to implement this recommendation. The Department will attempt to engage with the U.S. Department of Transportation and explore ways to achieve the end goal of matching motor vehicle records to UI wage records.

Recommendation 4. Test the potential to produce new products that report the impact of local labor market shocks on skill demand and career transitions so that the WLMI system can proactively prepare to meet the needs of its constituents in the face of future challenges.

Both ETA and the U.S. Bureau of Labor Statistics (BLS) provide information on skills, through the O*NET system (ETA), the Occupational Outlook Handbook (BLS), and the Occupational Requirements Survey (BLS), respectively, and the Department encourages other entities, public and private, to use the skills data provided to create specific tools to meet their customer needs. These data and tools are widely used by researchers and practitioners across the country and the world as the basis for research, analysis, and the development of other data products about skills. Within available resources, the Department will continue to maintain and improve these products that serve as the basis for outside research and innovation.

The Department, through ETA and BLS, will continue to work with its state partners in the WLMI system to explore the feasibility of using sources like O*Net data, employment projections, Local Area Unemployment Statistics, and the Current Employment Statistics survey to identify local labor market shocks and mitigate the impact of those shocks on skills demand within a state or region through WIOA resources. Additionally, the Department, in conjunction with the Commerce Department, recently published a guide designed to educate employers about the benefits of using skills-first hiring practices and encourage them to use those practices to build a better, more qualified workforce.

The Department, through BLS, has initiated a project with the National Science Foundation (NSF) to build capacity for state, local, and territorial Governments to use administrative data for evidence-building. Specifically, the goal of the project is to provide an Artificial Intelligence (AI) based tool that will facilitate linking UI wage records with other data sources to study outcomes of individuals. The Department, through ETA, is also in discussions with NSF regarding a potential pilot project to be sponsored through the NSF America's Data Hub Consortium to explore state-level data-sharing and data-mining to identify actual career transitions and the skills and credentials associated with such pathways. The Department, through ETA, BLS, and its Chief Evaluation Office, will take into consideration available resources, observations or outcomes under the NSF projects described above, along with the Department's research priorities, and will explore the feasibility of supporting additional demonstration projects that examine local labor market shocks, skill demand, career transitions, and related topics.

Recommendation 5. Ensure that the data already produced by the BLS is made broadly available to the public through a robust, modern [Application Programming Interface (API)]. As new data sources are developed, these should also be made available through the API.

The Department will explore this recommendation within the limits of BLS and Departmental resources.

The actions the Department will undertake based upon the WIAC's recommendations will provide needed improvement to the WLMI systems at the local, state, and national levels.

Should you have any questions, please contact Steve Rietzke, the WIAC's Designated Federal Officer and Division Chief for ETA's Division of National Programs, Tools, and Technical Assistance at (202) 693-3912 or rietzke.steven@dol.gov.

Sincerely,

JULIE A. SU
Acting Secretary of Labor