



LEGISLATIVE PRIORITIES

2026

The title "LEGISLATIVE PRIORITIES" is written in large, white, sans-serif capital letters, positioned diagonally across the upper half of the page. Below it, the year "2026" is also written in large, white, sans-serif capital letters. The background of this section is a dark blue color with a subtle, wavy, light blue pattern.

The National Association of State Workforce Agencies (NASWA) publishes its priorities annually on behalf of state workforce agencies. They are developed in collaboration with members through 11 national policy committees, approved by the board of directors, and circulated to membership.

The NASWA 2026 Legislative Priorities advocate for enhanced flexibility, investment and alignment of workforce development; investment in labor market and workforce data insights; improvements to unemployment insurance; and support in technology infrastructure.

These initiatives are published on behalf of the state workforce agencies and developed in collaboration with the nation's state workforce agencies.

"These priorities highlight the importance of a strong federal-state partnership in building a modern, responsive workforce system," said NASWA President and CEO Scott B. Sanders. *"Targeted investment and flexibility will allow states to better serve workers, strengthen businesses, and support long-term economic competitiveness."*

WORKFORCE DEVELOPMENT

- Advance a workforce system that is agile, aligned, integrated, and leveraged to help American workers
- Enhance federal funding for an industry-driven workforce system
- Support state-led flexibility and innovation
- Enhance services to veterans and military spouses
- Promote worker mobility and economic advancement

LABOR MARKET & WORKFORCE DATA INSIGHTS

- Reliable and timely labor market information is critical to ensure effective public investments that support workers, employers, and economic development

UNEMPLOYMENT INSURANCE

- Help states prepare for the next recession
- Support states in improving integrity strategies and increasing flexibility for states

TECHNOLOGY INFRASTRUCTURE

- Enhance federal funding and support open technology solutions, data transparency, and AI input

EXECUTIVE SUMMARY

WORKFORCE DEVELOPMENT

ADVANCE A WORKFORCE SYSTEM THAT IS AGILE, ALIGNED, INTEGRATED, AND LEVERAGED TO HELP AMERICAN WORKERS

01. Require partnerships with state workforce agencies and collaboration with the public workforce system in the workforce aspects of federal investments. State workforce agencies should play a leading role in workforce development initiatives to fully leverage the existing public workforce system, avoid unnecessary duplication of requests to employers, and promote the continuity of this work once short-term funding sources run out.

02. Support state workforce agencies in the implementation of the new Supplemental Nutrition and Assistance Program (SNAP) and Medicaid community engagement requirements. State workforce agencies should play a leading role in the implementation of these new requirements to place individuals along pathways to economic mobility, reduce the number of individuals on public assistance programs, and connect workers to unfilled jobs that meet employer needs.

- Require and incentivize state SNAP and Medicaid agencies to

collaborate with the workforce system to avoid siloed employment and training programs and duplicative requests of businesses, including reporting wages.

- Provide state workforce agencies with funding to support the implementation of the new requirements.
- Support states' interagency data sharing initiatives related to the new community engagement requirements and explore opportunities to ease challenges for sharing data between or within state agencies.
- Facilitate alignment between the U.S. Departments of Labor, Agriculture, and Health and Human Services.

03. Ensure that state workforce agencies have a prominent role to play in the implementation of current and future Workforce Pell legislation.

- Require institutions of higher education—including community colleges—to collaborate with the workforce system in the implementation of Workforce Pell policies at the state and local levels.
- Eliminate barriers to blending and

braiding funding across Workforce Pell, WIOA, apprenticeship, and other workforce programs.

- Provide states with funding to support the implementation of Workforce Pell policies.
- Facilitate successful realignment with the U.S. Departments of Labor and Education in the implementation of Workforce Pell policies at the federal level.

04. Advance alignment of workforce, unemployment insurance, human services, housing, and education agencies at the federal level while preserving the objectives and purpose of distinct programs. Potential areas of focus for greater alignment include performance metrics, reporting requirements, data definitions, state plans, policies, as well as data sharing and evidence-building efforts that drive more successful outcomes. Increased alignment and coordination are especially important across all WIOA Title programs and with human services programs like the Temporary Assistance for Needy Families program (TANF), and SNAP.

05. Require consistent Section 188 policy alignment and data reporting elements between the U.S. Department of Labor's Civil Rights Center and the Employment and Training Administration. While language, gender, ethnicity and race data are currently collected by both entities, disability status is not automatically captured, and participants are not required to disclose this information. This creates a gap between Section 188 nondiscrimination

policies which require monitoring access for individuals with disabilities, and ETA's data reporting requirements where disability data is not required, but is limited or optional.

ENHANCE FEDERAL FUNDING FOR AN INDUSTRY-DRIVEN WORKFORCE SYSTEM

06. Scale up apprenticeships by authorizing recurring annual formula funding to states. The Administration has set an ambitious goal of surpassing 1 million new active apprentices.¹ State workforce agencies are critical partners in meeting this goal, and dedicated funding to states is foundational for scaling apprenticeship programs in both existing and emerging industries. Additional recommendations for expanding apprenticeship include:

- Provide sufficient funding for technical assistance to states to foster stronger cross-sector partnerships between workforce and apprenticeship entities.
- Provide all states with access to the existing federal apprenticeship reporting system so that states can leverage apprenticeship outcomes data to enhance decision-making and support program partnerships.
- Ensure that there are appropriate staffing levels within USDOL's Office of Apprenticeship to advance apprenticeship expansion in the 21 states that rely on federal staff for registering new programs.

¹ President Donald J. Trump. [Executive Order 14278](#), Preparing Americans for High-Paying Skilled Trade Jobs of the Future, April 23, 2025.

07. Establish new dedicated funding for states to create and scale statewide and regional sector strategies that are industry-driven. Such funding should provide states with maximum flexibility to advance programs that best serve both jobseekers and employers in key industry sectors.

08. Increase funding across all Workforce Innovation and Opportunity Act (WIOA) programs—especially for WIOA Title I and Title III— to provide American workers with economic mobility including more access to skills training, education, rapid response, and other needed workforce services aligned with industry and employer needs. Workforce Development and Wagner-Peyser Act funding is foundational for achieving key goals like upskilling Americans on artificial intelligence (AI), expanding apprenticeship programs, training workers in critical industries, and connecting unemployed and underemployed individuals with employment opportunities—an increasingly important area of focus following the passage of expanded community engagement requirements for public assistance programs like the Supplemental Nutrition Assistance Program (SNAP) and Medicaid.

Related recommendations include:

- Increase permanent funding for the Wagner-Peyser Act to modernize the career services and job coaching infrastructure and provide American businesses more support with hiring, retention, and job quality. Comprehensive job search assistance is a proven cost-

effective service for unemployed jobseekers and is critical to combat unemployment, smooth labor market transitions, and shift individuals off public assistance programs.

- Provide adequate funding to enable innovative practices and effective hybrid (virtual and in person) service delivery systems to meet changing customer needs and expectations.
- Crucial needs across WIOA programs include staffing, the adoption of new service models combining in-person and virtual services, supporting modernization efforts, cyber security, data standardization, and technical assistance.

09. Provide sufficient overall funding instead of short-term, episodic, and/or competitive funding opportunities that disrupt planning and hiring, waste critical resources on repeat startup or shutdown activities, and create access barriers for some states, especially small states, with limited grant-writing resources. Workforce systems would be more effective with increased dedicated funding for core WIOA programs including sufficient funding for one stop American Job Center infrastructure and technologies. Reliable funding is vital to build long-term capacity and promote innovation for workforce development at the state and local levels.

10. Increase funding for the Reemployment Services and Eligibility Assessment

(RESEA) program which has a proven track record of accelerating unemployment insurance (UI) beneficiaries' return to work and the additional benefit of reducing UI payments.

11. Reauthorize, adequately fund, and broaden the scope of the Trade Adjustment Assistance for Workers (TAA) program into a new Technology and Trade Adjustment Assistance for Workers (TTAA) program. An expanded TTAA program would: (1) train workers to catalyze the reshoring of American manufacturing jobs, (2) support workers at risk of disruption from artificial intelligence (AI) and other technologies, (3) educate workers on the use of AI, and (4) continue supporting workers negatively impacted by international competition.

SUPPORT STATE-LED FLEXIBILITY AND INNOVATION

12. Provide states greater RESEA funding flexibility to serve individuals earlier in the UI claims process. By engaging jobseekers sooner, state workforce agencies can accelerate individuals' return to the labor market and reduce their utilization of UI.

13. Streamline the process and further enable states to pursue waivers under WIOA in order to advance more flexible and innovative workforce development programs.

14. Provide states the flexibility to increase

the WIOA Governors Reserve to 20 percent, while enabling states to reserve a lower percentage if they choose.

15. Provide states flexibility to set their own eligibility criteria and performance measures for certain WIOA programs at Governors' discretion.

16. Codify in statute the current flexibility for Wagner-Peyser staffing to preserve states' discretion to administer the Employment Service program with state and/or local employees, contractors, other personnel, or a combination that works best for each state.

17. Provide states greater flexibility in delivering services to Migrant Seasonal Farmworkers (MSFWs) who hold current and legal visas, especially with regards to staffing and the number of individuals that need to be served each year. Affording greater flexibility in this area will further enable states to innovate, support legal workers, and serve the business community.

18. Provide states the authority to use funding across WIOA title programs to better anticipate future labor market disruptions and help workers not traditionally eligible for assistance and at-risk incumbent workers prepare for labor market success.

19. Provide greater flexibility across WIOA programs to publicize the workforce system and conduct outreach to better engage employers, underserved

communities, and priority populations in the workforce system's resources, services, and supports.

ENHANCE SERVICES TO VETERANS AND MILITARY SPOUSES

20. Maintain and safeguard the vital role of veteran's programs in the workforce development system. Oppose any efforts to separate veteran's programs from the U.S. Department of Labor.

The state workforce system is best suited to serve veterans, transitioning service members, and eligible spouses because of its alignment and integration with employment and career services and access to other state and federal workforce programs found in the American Job Centers. This includes serving veterans facing significant barriers to workforce re-entry while avoiding duplication of federal job training, education, and human resource programs.

21. Amend Title 38, United States Code to make Gold Star spouses of service members killed as a direct result of their assigned duties or training eligible for Jobs for Veterans State Grant (JVSG) services. These Gold Star spouses should also be considered "eligible spouses" for the provision of Priority of Service for all USDOL funded employment and training programs.

22. Expand eligibility, and provide increased funding if needed by a state, to include additional categories of veterans and eligible spouses for

specialized services provided by authorized JVSG personnel (listed in priority order):

- Gulf-War veterans (Desert Shield/Desert Storm; August 2, 1990-February 28, 1991). Many Gulf-War veterans do not have an identified employment barrier but are still in the workforce.
- Veterans aged 55 and above. While the current demographic of veterans aged 55 and older is mostly covered under the existing Vietnam era veteran category, this could have a positive impact on future generations as the Vietnam veterans age out of the workforce.
- Native American, Native Hawaiian and Pacific Islander veterans.
- Spouses of service-connected disabled veterans regardless of Veterans Administration disability rating.
- Spouses of active-duty personnel.
- Surviving spouse or child who used their Chapter 35 DEA education benefit and have completed training – would meet eligibility as an additional population with no additional qualifying employment barrier requirement.

23. Expand the definition of priority of service for USDOL funded employment and training benefits to include all military spouses who are currently eligible for Veterans Administration assistance, such as health and disability benefits, survivor compensation, education and career benefits, home loan programs, life insurance and burial and memorial benefits.

24. Update statutory authority to prioritize veterans with disabilities to follow low-income skill-deficient veterans for provision of WIOA Adult services. New policy guidance issued in 2024 has made veterans with disabilities eligible for Disabled Veteran Outreach Program (DVOP) intensive services and case management. Giving this targeted population priority for WIOA services would ensure their access to these valuable resources.

25. Rename the DVOP program to more accurately reflect the population of veterans eligible for Jobs for Veterans State Grant (JVSG) services. Remove the reference to “disabled” since program eligibility is not limited to disabled veterans, veterans with a disability, or veterans with a Veterans Administration disability rating. This change should also apply to staff currently identified as DVOP specialists. Recommend convening a workgroup comprised of members of the NASWA Veterans’ Affairs Committee, the Advisory Committee on Veterans Employment, Training, and Employer Outreach (ACVETEO) and USDOL Veterans’ Employment and Training Service leadership to identify a more all-encompassing name for both this program and the staff responsible for serving these eligible veterans.

PROMOTE WORKER MOBILITY AND ECONOMIC ADVANCEMENT

26. Provide new funding and flexibility to increase access to childcare and other supportive services on an ongoing basis to broaden labor market participation.

27. Codify state flexibility for using Federal Financial Participation (FFP) funds through the Office of Child Support Services for employment and training services to noncustodial parents.

28. Support the states’ abilities to promote equal opportunity in workforce programs by:

- Providing annual training to state workforce agency staff on all WIOA Section 188 Regulations, Federal Civil Rights laws and Nondiscrimination Regulations. This training will be provided in person, virtually or in writing, and developed by USDOL and USDOJ.
- Including language in all notice of awards (NOAs) that any required one-stop delivery system partner and/or program listed in section 121(b) of WIOA must be compliant with 29 CFR Part 38 which implements WIOA nondiscrimination provisions.
- Funding the U.S. Department of Labor to be adequately staffed for timely provision of WIOA Section 188 technical assistance to state agency personnel.

LABOR MARKET & WORKFORCE DATA INSIGHTS

RELIABLE AND TIMELY LABOR MARKET INFORMATION IS CRITICAL TO ENSURE EFFECTIVE PUBLIC INVESTMENTS THAT SUPPORT WORKERS, EMPLOYERS, AND ECONOMIC DEVELOPMENT.

Investing in state-driven data infrastructure is key to improving the connection of education, workforce, and the labor markets in support of economic growth. Reductions in funding threaten our ability to understand and address labor market issues at the local, state, and national level. Without adequate data we cannot increase the effectiveness of education, workforce, human services and economic development investments. Adequate funding is critical to support both traditional labor market information (LMI) as well as new forms of LMI that can address emerging labor market issues.

29. Restore federal funding to states to support traditional LMI production, in line with recommendations of the Workforce Information Advisory Council, including:

- The federal-state Cooperative Statistics Programs with the U.S. Bureau of Labor Statistics enables

the production of high-quality traditional labor market statistics needed for informed decision-making at the local, state, and national levels. Over the past 20 years, federal funding has been cut by approximately 20%², after adjusting for inflation, and is insufficient to maintain the availability of accurate and more locally valid labor market data. We also strongly recommend granting states the flexibility to reallocate funding across the four Cooperative Statistics Programs to address funding shortages.

- Workforce Information Grants (WIG) to states from the Employment and Training Administration enable the production of more customized, user-friendly LMI products for a diverse array of stakeholders, including policymakers, program leaders, businesses, nonprofits, students, and workers. In addition, federal law mandates that workforce development boards, career and technical education

programs, and other public entities utilize LMI in the development of local plans. WIG funding has been reduced by nearly 60%³ over the past 20 years, when adjusted for inflation, and is now inadequate to meet the growing demand for timely and actionable labor market insights. Without additional investment to enhance data systems and modernize technologies, state workforce agencies will face increasing obstacles to effectively address the challenges that demographic and technological changes have on the supply of, and demand for, workers.

30. Invest in state efforts to modernize the workforce and labor market information ecosystem to support American workers as they pursue employment and educational opportunities. Federal investments should support state-driven data production including collaborative networks that leverage data across sectors and state agencies to produce timely and actionable information.

31. Improve the WIOA performance accountability system by engaging with NASWA and state workforce agencies to streamline the negotiations process, improve performance indicators, expand data access, and provide flexibility to test alternative measures, among other things. NASWA's Performance Improvement Workgroup brings together state program and data leaders and is a resource for such

collaboration. The WIOA performance accountability system should provide useful information that is easy to implement and interpret and is aligned with other programs. It is imperative to reduce reporting burdens to allow states to also focus efforts on evidence-building activities.

32. Increase state workforce agencies' access to federal data sources and strengthen federal-state data sharing to enhance labor market insights. Expand access to critical federal data sources and ensure the activities of a federal National Secure Data Service are informed by state workforce agencies' needs and priorities. Improve the Local Employer Household Dynamics (LEHD) program through expanded state participation in wage record sharing, enabling production of essential labor market and workforce indicators by Census geographies. Additionally, improve the accessibility of federal statistics for advanced analytical use by states through streamlined access protocols and modern data delivery systems. These enhancements to data access and sharing would provide states with the comprehensive information needed for evidence-based workforce and economic development decisions.

² Figure obtained from historical [BLS budget info](#).

³ Figure obtained from historical [ETA budget info](#).

UNEMPLOYMENT INSURANCE

ENABLE STATES TO PREPARE FOR THE NEXT RECESSION

Historic underfunding threatens the unemployment insurance safety net that supports American workers seeking reemployment. Current levels of administrative funding simply do not cover the necessary costs to run an effective and secure program. Consistent and reliable funding that can be relied upon without reductions during a budget year is critical to help unemployed people, connect them to employers, all while providing an economic stabilizer for the national economy.

33. Increase administrative funding as a whole. Under the Social Security Act, the federal government is tasked with funding the administration of the unemployment insurance program. The Government Accountability Office found that state administrative funding, adjusted for inflation, declined by 32 percent from FY10 to FY19, exacerbating service delivery and integrity challenges posed by the COVID-19 pandemic. Administrative funding continues to decline post-pandemic, despite widespread recognition that the lack of adequate administrative funding left states ill-prepared to deal with increased

workloads and more sophisticated fraud threats. The federal government will fail to apply the lessons learned from the pandemic if it fails to increase administrative funding to meet the needs of citizens, prevent fraud, and preserve the integrity of public funds.

34. The following items require further investment:

- Change the current appropriation model to clarify that a full 80% of Federal Unemployment Tax Act (FUTA) tax collections should be used for state administration. Current law can divert more than 20% of FUTA taxes to the Extended Unemployment Compensation Account when these funds are needed by the states.
- Fully cover the cost of identity verification, including partnerships with the U.S. Postal service, and other fraud prevention systems as administrative costs under the Social Security Act, including implementation, ongoing maintenance, and transactional costs.
- Invest in and provide for ongoing maintenance and support, based on state need, for the digital transformation of UI systems that

are flexible, scalable, and resilient, including funding and support for staffing, customer experience, and emerging technologies.

- Funding for information technology and modernization should be recurring, distinct, and separate from general UI administrative funding, should be adequate, and should not reduce overall administrative funding.
- Provide additional flexibility and extend deadlines for use of UI above-base funds, especially the time frame to use fourth-quarter funds.
- Encourage further investments in UI program integrity by permitting states to use up to 5% of recovered claimant overpayments and additional employer contributions collected to be used solely for UI program improvements.
- Exempt the UI program from sequestration requirements of the Balanced Control Act of 2011. Reductions to administrative funding, the Trade Adjustment Assistance program, and the Extended Benefits program jeopardize services to citizens in need.
- Provide flexibility for states with solvent trust funds, as defined by state law, to allow up to 5% of trust fund contributions collected to be used for UI-related administration.
- Provide additional specific funding for states to utilize to respond to USDOL audits, including the Office of the Inspector General audits.
- Consider an increase to the federal

taxable wage base which has been set at \$7,000 since 1983.

35. Update and streamline the Extended Benefits program to be more responsive to claimant needs, easier for states to administer, and reduce improper payments during the next recession or emergency.

36. Reform the Disaster Unemployment Assistance (DUA) program to strengthen the integrity of the program and modernize its operations.

- Update claim and payment timelines to allow for standard integrity measures, including proof of identity and work history. This reflects lessons from the widespread fraud in the Pandemic Unemployment Assistance (PUA) program, which cost an estimated \$100-\$135 billion (GAO). As PUA mirrors DUA, these changes would reduce DUA's vulnerability to fraud. Current DUA requirements lack sufficient guardrails and run counter to integrity measures required in the regular UI program.
- Modernize DUA's half-century-old administration guidelines to reflect today's technology. With digital access to most necessary documents (e.g., payment records, identity documents, and ownership deeds), extended collection timelines are no longer needed and create unnecessary integrity risks.
- Separate DUA from other Individual Assistance (IA) programs to allow for before unemployment

needs are assessed. DUA can be reimagined as a severable program or converted to a direct-grant program administered by FEMA if claimant numbers do not justify the administrative cost.

37. Expand Short-Term Compensation (Workshare) coverage to include new hires as an economic recovery program when businesses ramp up after a recession or shutdown. Consider additional flexibility to encourage program use.

38. Reevaluate Acceptable Levels of Performance. The U.S. Department of Labor's acceptable levels of performance for the timeliness of payments and appeals processing are established in regulation. These standards have not been updated in decades and fail to account for the increased claim processing demands of identity verification and additional integrity measures, especially when coupled with reduced administrative funding. These performance measures should be adjusted to account for the additional amount of time it takes to complete the integrity measures necessary to preserve the financial integrity of the unemployment insurance program.

SUPPORT STATES IN IMPROVING INTEGRITY STRATEGIES AND INCREASE FLEXIBILITY FOR STATES

39. Amend the Payment Integrity Information Act to clarify that state UI payments are not federal payments subject to the act.

40. Clarify that Internal Revenue Service federal tax information, such as a payment amount that does not identify the source of the payment or recovery, may be used in state UI systems to implement the mandatory federal tax offset program and is not a violation of 26 U.S.C. 6103.

41. Extend the statute of limitations for filing criminal charges and civil enforcement related to UI from 5 to 10 years.

42. Instead of requiring a 1.0 Average High Cost Multiple method to determine trust fund solvency, permit an alternative standard deemed to be sufficient by the state.

43. Expand staffing flexibility for states. Permit states an option to expand the definition of state merit staffing to include employees of government partners including educational institutions, counties, and local governments. Permit flexibility for states to utilize non-merit staff during economic downturns or seasonal challenges.

TECHNOLOGY INFRASTRUCTURE

ENHANCE FEDERAL FUNDING AND SUPPORT OPEN TECHNOLOGY SOLUTIONS, DATA TRANSPARENCY, AND AI INPUT

44. Invest flexible capital funding across workforce development and unemployment insurance programs to support data and technologies for holistic, interoperable service delivery. Increased funding for unemployment insurance technology is especially important given the recession of state UI technology grants under the American Rescue Plan Act (ARPA). Investments should:

- Encourage program partners to work collaboratively to implement effective and creative technology-based workforce solutions for system customers;
- Establish base funding directly for ongoing technology infrastructure and maintenance costs and not just for one-time costs; and
- Ensure innovations and efficiency gains do not reduce base funding for agencies.

45. Ensure adequate funding for new programs and initiatives to support infrastructure including staffing, technology innovation, continuity preparations, readiness, and data needs.

46. In addition to funding for ongoing technology support and maintenance, provide innovation funding for states to develop and explore emerging technology solutions—especially in areas like AI—to improve service delivery and optimize customer experience.

47. Support shared services and open technology solutions that address issues common across federal programs and that can be leveraged among states, eliminating duplicative efforts and spending.

48. Require federal agencies to be transparent with states about the purpose and use of specific federal data collections, while minimizing the burden of federal data collection activities and ensuring adherence to modern data retention protocols.

49. Include state workforce agencies in congressional discussions and policy developments on artificial intelligence (AI) and the workforce to ensure state perspectives and needs are taken into account.

ABOUT NASWA

The National Association of State Workforce Agencies (NASWA) is the national organization representing all 50 state workforce agencies, D.C. and U.S. territories. These agencies deliver training, employment, career, business, and wage and hour services, in addition to administering the unemployment insurance, veteran reemployment, and labor market information programs. NASWA provides policy expertise, shares promising state practices, and promotes state innovation and leadership in workforce development.

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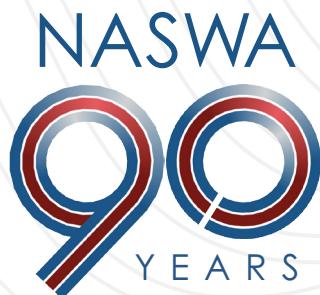
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Additional policy positions — including
[**NASWA's Guiding Principles and
Recommendations for WIOA Reauthorization**](#)
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