

# AMERICA'S TALENT STRATEGY: BUILDING THE WORKFORCE FOR THE GOLDEN AGE



UNITED STATES  
DEPARTMENT OF LABOR



UNITED STATES  
DEPARTMENT OF COMMERCE



UNITED STATES  
DEPARTMENT OF EDUCATION

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## EXECUTIVE SUMMARY

President Trump has set a bold economic strategy to reindustrialize America, dominate the artificial intelligence (AI) frontier, and reclaim control over the levers of national prosperity. Achieving this vision requires a workforce system capable of propelling American workers into high-wage careers, upholding the dignity of hard work, and **delivering the talent** businesses need to power the nation's economic resurgence.

This strategy lays out a comprehensive plan to address the workforce needs of American companies, integrate existing workforce development systems to maximize efficiency and effectiveness, **provide accountability for workforce training programs**, upskill incumbent American workers, and develop alternatives to 4-year college degrees. It rests on five strategic pillars:

- I. **Industry-Driven Strategies:** The workforce system must transform into a **reliable pipeline of American talent led by industry and aligned with America's economic priorities**. Existing workforce development programs are often **misaligned with employer needs** due to a lack of coordination between education systems, workforce agencies, and businesses. The current system is not positioned to **prioritize industry needs** and align federal workforce programs with private sector training investments and evolving skill demands.

This pillar of the vision will be achieved by scaling Registered **Apprenticeships** and other **high-quality work-based learning models**, aligning education and training programs to career pathways, and targeting federal investments toward **employer-led** upskilling initiatives designed to **fill talent shortages in priority industries**.

- II. **Worker Mobility:** More Americans must be brought into the labor force and be able to advance, including through the innovative use of technology and labor market data. The **"college-for-all approach" has failed**, and workers struggle to navigate a fragmented system of workforce supports and attain economic mobility. Millions of Americans remain disconnected from high-wage jobs and career paths, with an increasing number disengaged and disincentivized from returning to work.

This pillar of the vision will be achieved by clearly identifying **credentials that are valued** in the labor market to support informed decision making, integrating AI-powered tools and competency-based assessments that allow workers to advance based on demonstrated skills and abilities, and getting the disconnected workforce into training opportunities that lead to self-sufficiency.

- III. **Integrated Systems:** The **fragmented** web of duplicative programs must be replaced with a streamlined, coordinated system that delivers unified workforce services. The current patchwork of federal workforce programs is spread across multiple federal agencies, and they attempt to serve similar purposes with incompatible rules and siloed data systems. As a result, job seekers must navigate a disjointed and bureaucratic system, while employers lack a unified access point to engage.

This pillar of the vision will be achieved by immediately working to streamline program administration and simplify governance requirements to empower states to integrate disparate funding streams and improve service delivery. Further restructuring and consolidating workforce programs must be achieved through the Make America Skilled Again (MASA) proposal and reorganizing federal statistical agencies within the Department of Commerce.

- IV. **Accountability:** Agencies must ensure federally-funded workforce programs deliver **measurable results** by linking investments to outcomes and program performance. Billions of dollars are spent each year without reliable and consistent mechanisms to **measure success** or hold programs accountable when they fail. Training and education programs remain eligible for taxpayer funding regardless of whether they connect participants to **high-wage jobs**.

This pillar of the vision will be achieved by reforming or eliminating ineffective programs and redirecting funding to programs that demonstrate success in **connecting Americans with high-wage jobs**. It will require harmonizing performance measures and enhancing data linkages to ease the reporting burden while producing valid, transparent data to assess the return on investment and the impact on **closing talent gaps**. It also depends on ensuring all taxpayer-funded workforce services are reserved for individuals who are legally authorized to work, protecting high-paying jobs for American workers.

- V. **Flexibility & Innovation:** **New models of workforce innovation** must be created to match the **speed** and scale of AI-driven economic transformation. AI is transforming work faster than the workforce system can adapt and workers will require new skills to share in the prosperity that AI will create. Without **greater agility** in the system, the United States risks falling behind in the race to develop an AI-ready workforce.

This pillar of the vision will be achieved by leveraging existing statutory authorities to promote flexibility and innovation, prioritizing AI literacy and skills development across the workforce system, and **developing pilot projects** to drive **rapid reskilling** and fuel other AI-era innovations.

America's Talent Strategy: Building the Workforce for the Golden Age outlines how the Trump Administration will use existing authorities and funding to execute a bold transformation

of the nation's workforce system so that it delivers on the scale and urgency of President Trump's economic agenda. It connects investments in people to the engines of national strength: industry, innovation, and work. **The goal is to build a durable system** that expands our labor force, helps workers advance, supports employers in meeting their needs, and positions the country to lead in today's economy. Through these reforms, the Trump Administration will transform our national workforce investments to meet the talent needs of employers, empower more Americans to access high-wage careers, and reindustrialize the United States.

## THE CHALLENGE

For decades, America has relied on a “college-for-all” model to prepare its workforce, but this approach has failed to meet the needs of both employers and workers. Meanwhile, workforce programs are fragmented across agencies, stifled by red tape, and too often misaligned with the skills employers need. These shortcomings pose particular risks as the United States advances toward a bold reindustrialization agenda and navigates the transformational impact of AI on the workforce. To realize the full potential of President Trump's economic agenda, the Trump Administration must address the following challenges in the American workforce system.

### **Employers lack reliable talent pipelines to meet national economic goals**

The United States lacks the talent pipelines needed to meet employers' needs and fuel President Trump's economic agenda. The Trump Administration believes that the workforce system must be stronger than ever to meet a new set of national objectives, including reshoring American industries to gain economic sovereignty and building American talent across the AI ecosystem. Under President Trump's leadership, businesses are investing billions of dollars to revitalize U.S. manufacturing, production, and innovation, but many still struggle to find skilled technical workers. As these companies anchor our country's reindustrialization, past approaches to workforce development have failed to prioritize industry needs or complemented their training investments to ensure economic prosperity. Forgotten in the midst of decades of failed federal workforce programming is the reality that it is the companies themselves within industry, not the government, that determine the skillsets and competencies needed for jobseekers to be adequately qualified for a position.

### **Millions of Americans remain disconnected from high-wage career paths**

American workers cannot reliably connect to pathways to high-wage careers and too often remain on the sidelines of the labor force. For decades, America's labor market relied on the university system to develop new generations of workers, but this “college-for-all” approach has failed, and the patchwork of non-college programs targeting occupation-specific skills is inadequate to replace it. Too many Americans, whether they are entering the labor market or trying to advance, struggle to navigate a fragmented system of workforce supports and attain economic mobility. An increasing number of Americans are disengaged and disincentivized from returning to work, with more than 21 million Americans aged 25 to 54 not participating in the labor force. At the same time, America's workforce is aging, with millions of experienced workers retiring and fewer younger workers entering the pipeline to replace them. In order for our economy to enter its next Golden Age, it is imperative that more Americans enter the labor market.

## **The workforce system is fragmented**

America's workforce development programs are spread across multiple federal agencies, funding streams, and statutory authorities, resulting in a system that is confusing to navigate, inefficient to operate, and difficult to manage. Programs that serve similar purposes often have incompatible rules, siloed data systems, and duplicative administrative requirements. Governors and state workforce leaders face complex compliance mandates that constrain their ability to integrate services or direct funding where it is needed most and instead duplicate the fragmented federal systems within their states. Job seekers encounter disjointed service delivery and must navigate multiple access points that fail to offer clarity on available opportunities or next steps. Employers encounter overlapping points of contact with no unified access point to engage with the system or shape workforce solutions. Despite widespread recognition of the need for integration, federal law and regulation continue to lock states and agencies into rigid programmatic silos. As a result, workforce dollars are spent through disconnected channels, limiting impact and frustrating both the entities that deliver services and the individuals and businesses that rely on them.

## **The workforce system lacks accountability**

The federal workforce system lacks a reliable mechanism to measure, compare, and improve performance across programs. Billions of dollars are spent each year without a consistent standard for success or a clear way to hold programs accountable when they fail. Data collection is inconsistent across agencies, outcomes are often delayed or obscured by compliance-driven reporting, and providers face few consequences for failing to connect participants to high-wage jobs. Training providers with poor outcomes remain eligible for federal funds, programs with high per-participant costs continue without scrutiny, and policymakers lack the tools to understand where investments are creating impact. The federal government has spent nearly 50 years investing in expensive postsecondary programs that are not demanded by employers, divorcing the U.S. postsecondary education system from market dynamics. States have limited flexibility to direct funding toward high-performing models and little incentive to remove ineffective programs from eligible training provider lists. Employers cannot easily evaluate the effectiveness of workforce partnerships or credentials. In the absence of real performance accountability, too much of the system continues to function without delivering results, untethered from labor market outcomes and shielded from necessary reform.

## **AI is transforming work faster than the system can adapt**

AI is reshaping the workforce, and continuous innovation is needed to help workers navigate its opportunities and challenges. AI represents a new frontier for workers, including new high-wage careers and enhanced productivity, but will also require new skills and transitions in the labor market for workers to share in the prosperity that AI will create. The greatest workforce

challenge of AI may be the speed of change itself. As AI accelerates shifts in job tasks and skill requirements, the education and workforce system must adapt in real time. Without significant reform to create more agility and innovation across the system, the United States risks falling behind in the race to develop an AI-ready workforce.

## VISION FOR AMERICA'S WORKFORCE

To usher in the Golden Age of the American economy, President Trump will invest in American workers and celebrate the inherent dignity of hard work. Regardless of where a person begins—whether as a young adult entering the labor market, a veteran re-entering the civilian workforce, or a dislocated worker retraining for a new career—our Nation's workforce development system must invest in our country and put Americans first.

Companies expanding in America should be able to count on the workforce system to produce the skilled, job-ready talent needed to make their investments succeed. The system must work for businesses of all sizes, especially in sectors vital to restoring America's economic strength and national competitiveness. It must be held accountable for how well it delivers for employers and trains workers for jobs that will define America's economic future.

Delivering on this vision requires a new foundation for how the Departments of Labor, Education, and Commerce (the Departments) design, govern, and fund America's workforce system. That foundation rests on five strategic pillars:

### **PILLAR I: Industry-Driven Strategies**

The needs of employers must drive how the workforce system educates, trains, and prepares the American workforce. For this to occur, federal programs must be designed so that employers play a leading role in shaping and delivering training programs that help new and incumbent workers build the skills they need to succeed. The government should seek businesses' help to co-design work-based training and credentialing opportunities, including Registered Apprenticeships for new and incumbent workers. A paradigm shift is needed to move beyond the "train and pray" model that has too often defined workforce investments, where programs operate in isolation from industry needs and workers are left to hope that training leads somewhere. Federal workforce investments must prioritize talent pathways that start with companies identifying critical, hard-to-fill-demand occupations with high-wages that can be immediately filled upon successful completion of a training program by an aspiring worker. To support continuous learning and career resilience, training investments must be coordinated across businesses, educational institutions, joint labor-management partnerships, and workforce agencies.

To realize this pillar of the vision, employers must play a central role in defining in-demand skills, validating training models, and steering investments toward the roles and credentials that matter most. The Trump Administration will prioritize support for pathways with clearly defined destinations, including those that feature explicit employer validation and offer job guarantees, interview guarantees, or other mechanisms that ensure training leads directly to employment opportunities. The Administration is focused on growing manufacturing and

adjacent industries, such as semiconductors, aerospace, shipbuilding, biopharmaceuticals, data centers, energy production, and other industries that serve as the foundation for American economic and national security. Many of these companies seek to invest and build in the United States with the assistance of the Department of Commerce's Investment Accelerator. The input and direction of these companies on how the workforce system evolves to meet their needs is critical for the success of the Trump Administration's workforce strategy.

Meeting these companies' short-term and long-term needs requires the workforce system to invest earlier and more intentionally in building career pathways, starting in middle school with exposure to real occupations and extending through high school and beyond with Registered Apprenticeships and industry-aligned training. Federal funding will prioritize results, rewarding programs that place workers directly into apprenticeships or other work-based learning opportunities that lead to in-demand jobs. The federal workforce system under the Trump Administration will be guided by the foremost goal of directing American talent into the private sector.

## **PILLAR II: Worker Mobility**

The American workforce system must help more people enter, reenter, and advance within the labor market. Whether returning to the workforce or seeking better opportunities, individuals should be able to take tangible steps that lead to upward mobility and long-term economic independence.

Federal investments must deliver a next-generation workforce and labor market intelligence system that is timely, localized, and actionable. The system should help people see their skills, understand career options, and take clear steps toward better jobs. Employers should be able to use the same system to find qualified talent and make faster, smarter hiring decisions. Technology in the workforce system must be judged by how well it drives outcomes. Systems that are overly complex or built around abstract compliance requirements often end up underused or ignored. To serve workers and employers, digital tools must be simple, effective, and built for adoption and scale. Success depends not on technical sophistication, but on whether these systems help people move into better jobs and help businesses hire more efficiently.

To realize this pillar of the vision, the system must promote reemployment and **career mobility through multiple avenues: work-based learning, short-term credentials**, stackable training opportunities, and pathways that recognize prior experience and demonstrated ability. AI-powered tools and digital records will allow individuals to showcase what they know and have done, opening new opportunities and allowing them to advance without starting from scratch. A workforce system that supports continuous advancement, especially through innovative uses of technology and labor market data, will empower more Americans to move forward in today's economy.

### **PILLAR III: Integrated Systems**

A modern workforce system must be unified, navigable, and built around the needs of its users. The American worker should be able to access training and employment opportunities without getting lost in a maze of government agencies or confusing websites. Employers should be able to engage with the system just as easily to find talent and grow their workforce. States and local leaders should be able to coordinate across funding streams without being stifled by duplicative mandates or disconnected systems.

This vision calls for a fundamental shift from fragmentation to alignment. Rather than operating in silos, federal, state, and local actors must work in concert to deliver a streamlined experience for those they serve. A single federal agency, the Department of Labor, must lead the coordination and implementation of all federal workforce development efforts to prevent taxpayer dollars from being squandered on bloated administrative functions across duplicative levels of government. With a shared framework and modernized infrastructure, the workforce system can function as a single, cohesive engine for American talent development that delivers measurable results, reduces administrative waste, and scales to meet the demands of a rapidly changing economy.

To realize this pillar of the vision, the strategy will support shared eligibility standards across programs, streamlined intake processes, and digital tools that help frontline staff guide individuals to the right services. Federal agencies will offer modular utilities that reduce duplicative paperwork and make it easier to coordinate across programs. States will be encouraged to build unified online portals and create locations where people can access multiple services in one place and align the substantial training resources available through the Pell Grant program with career services available through the workforce system. Vouchers and shared labor exchange and case management tools will be promoted to help workers access training and support seamlessly, without navigating disconnected systems.

### **PILLAR IV: Accountability**

Federal workforce funding should be aligned with outcomes. Programs that consistently deliver strong employment results should be expanded, while those that fail to show measurable impact should be reformed or ended. Outcomes must be evaluated using a consistent set of metrics across agencies, including job placement, earnings growth, credential attainment, and return on investment and should account for the number of workers achieving positive labor market outcomes through the funding provided. These results should be made transparent through public tools that allow workers, employers, and taxpayers to compare program performance and make informed decisions.

To realize this pillar of the vision, the system must track outcomes that matter to both workers and businesses. Public dashboards will show which programs are helping people get jobs

and earn higher wages and which ones are helping employers fill in-demand roles. Federal agencies will use consistent metrics to measure job placement, earnings growth, cost-effectiveness, and talent pipeline progress across all workforce investments. Credentials will be judged based on their real value in the labor market, and ineffective training providers will be removed from public funding lists. New funding models will tie resources to outcomes, including through the expanded use of pay-for-performance contracts and stronger recapture authority to redirect dollars from programs that fail to deliver.

## **PILLAR V: Flexibility & Innovation**

**The federal workforce system must be adaptable.** America's economy is changing quickly, driven by AI, advanced industries, and new national priorities. The workforce system needs the tools and flexibility to keep up. It must be designed for continuous iteration, with exponentially faster feedback loops between employers, educators, and training providers to ensure that programs can evolve in step with economic shifts. Agility must become a core design principle of the education and workforce system. That means giving states and local communities more control to tailor solutions to their regional economies. Flexible funding models like MASA can empower governors to direct workforce investments toward business needs and eliminate duplicative or siloed efforts. Innovation depends on freedom to test, iterate, and scale what works, **without being constrained by outdated program rules or slow federal processes.**

Preparing for the AI-driven economy requires a full-system response. The Departments will prioritize efforts to translate workforce shifts, particularly those driven by AI and other emerging technologies, into coordinated changes across the entire human capital development pipeline, including K-12 education, postsecondary learning, and workforce development. This alignment must be continuous and responsive to national economic priorities, ensuring the full talent system evolves with the economy instead of lagging behind it.

To realize this pillar of the vision, the strategy will expand the use of tools like Workforce Innovation and Opportunity Act (WIOA) waivers and authorities that permit state or local governments to consolidate disparate workforce training grants from multiple agencies, invest in outcome-based pilot programs, and redirect flexible funds toward state- and employer-led innovation. The Departments will also explore DARPA-style experimentation models to test bold new ideas, evaluate real results, scale proven strategies, and prioritize AI literacy and skill development across the workforce system.

## STRATEGIC ACTIONS TO CREATE AMERICA'S WORKFORCE VISION

With our challenges defined and a clear vision set by President Trump's mandate for American economic resurgence, it is essential to translate goals into action. The following strategy outlines the specific steps the Trump Administration will take, using existing budgets and authority, to transform our workforce system into an employer-driven engine of prosperity. It also includes several substantial reforms that can be achieved through legislative changes. Each element is designed to deliver measurable results, close skills gaps in critical sectors, and open high-wage career pathways for every American.

### **PILLAR I: Industry-Driven Strategies: Building reliable talent pipelines through a workforce system led by industry and aligned with America's economic priorities**

The Trump Administration has embarked on a government-wide approach to support American industry and incentivize substantial new investments throughout the United States. One of the most significant headwinds facing companies in the United States is identifying, attracting, hiring, and retaining talent. For manufacturers alone, there are close to 500,000 open jobs today—a number expected to quadruple in the coming years. The workforce system must be prepared to serve the needs of the companies whose investments will anchor America's reindustrialization and be a force multiplier for additional workforce investments subsequently made by the companies themselves. It is particularly important to meet the workforce needs of the companies that are seeking to make significant new investments across America, such as the companies working with the Department of Commerce's Investment Accelerator.

#### *Scaling Registered Apprenticeships*

The Trump Administration is committed to expanding Registered Apprenticeship opportunities for American workers and has set a bold target of reaching and surpassing 1 million active apprentices. This expansion will be guided by the Executive Order directing the Administration to develop a coordinated federal plan to strengthen and scale Registered Apprenticeships nationwide. The Departments intend to create a plan that will focus on enhancing the employer value proposition for Registered Apprenticeships, deploy federal funding strategically to drive adoption, and support a robust ecosystem of state partners and intermediaries to deliver growth without compromising quality.

To strengthen the employer value proposition for Registered Apprenticeships, the Department of Labor will simplify registration for new apprenticeship programs, reducing the time it takes to develop new program standards or gain approval for expanding apprenticeships to a new occupation. Central to this effort will be supporting the development of high-quality, industry-approved standards that employers and sponsors can seamlessly choose to adopt off-the-

shelf or adapt to the specific needs of their workplace. Harnessing existing public-private partnerships, such as the Manufacturing USA Network, can greatly accelerate the adoption of industry-driven program standards. Maximizing apprenticeship expansion also will depend on revisiting and revising regulatory requirements to align with the Administration's objectives and remove any undue burdens on apprenticeship sponsors. The Department of Labor will address the registration and compliance challenges faced by multi-state employers, industry, and labor organizations so high-quality Registered Apprenticeships can more easily be scaled on a nationwide basis.

To align federal investments with the Registered Apprenticeship expansion goal, the Department of Labor will require applicants for competitively awarded funds to set targets for the number of participants placed into apprenticeships, and those that receive funding will be held accountable for delivering on these commitments. To ensure formula-funded programs also realign towards job-connected learning, the Department of Labor will track the share of participants who are trained through Registered Apprenticeships and incentivize state and local workforce programs to connect more of the Americans they serve to this proven model. Federal investments will target industry-specific strategies to scale apprenticeships in the sectors that are critical to American competitiveness, prioritizing occupations in-demand for companies that engage with the Department of Commerce's Investment Accelerator. The Departments will also explore how other existing federal funding streams might be better leveraged to support the expansion of Registered Apprenticeships. Pay-for-performance models will be used to provide predictable financial support for employers, while outcomes-based grants to states will reward efforts that grow apprenticeship participation and reduce barriers to expansion.

To support a robust ecosystem for Registered Apprenticeships, the Department of Labor will provide support for state-led efforts that expand system infrastructure and directly grow apprenticeship participation. The Departments will also strengthen the system by supporting high-impact intermediaries, including intermediaries serving as group sponsors for programs involving multiple employers, and joint labor-management partnerships. Additional targeted approaches will be developed to enable greater ecosystem support for small and medium-sized businesses and to expand the use of degree apprenticeships, including identifying appropriate flexibilities that will make these models more viable. Shorter-duration models, including pre-apprenticeships, internships, micro-internships, and other work-based learning models will also be explored as potential on-ramps to Registered Apprenticeships, particularly those that offer structured progression toward employment and demonstrate strong labor market outcomes.

Together, these actions will foster innovation and expansion in the Registered Apprenticeship system, without sacrificing the quality that has been a hallmark of this proven model to provide more opportunities for American workers.

### ***Aligning Education with Workforce Needs***

The Departments will also ensure that the education and workforce development systems vastly increase and expand the pathways into apprenticeships, including by aligning business demand, career and technical education (CTE) programs of study, youth-serving WIOA career pathways, pre-apprenticeships, and Registered Apprenticeships. To ensure these work-based learning strategies meet current industry needs, the Departments will expect the workforce system and intermediaries to engage employers and develop industry or sector partnerships, particularly with businesses working with the Department of Commerce's Investment Accelerator that are investing in the United States to create jobs for American workers. These industry or sector partnerships should be a part of the larger workforce ecosystem in these areas to ensure coordination and economies of scale. As an example, employers could work directly with school systems and community colleges to create dual-enrollment programs that lead to an apprenticeship or job immediately after high school.

To meet industry skill needs of the future, the Departments will provide technical assistance and expand access to meaningful career exploration activities in K-12 education, beginning in 5th grade. Early career exposure starting in middle school will allow students to consider the full range of career options and ensure students remain invested in their interests, aptitudes, aspirations, and education and are prepared to transition into the workforce.

The Departments will provide technical assistance to states to incentivize educational programs that align to local workforce needs and engage businesses to jointly develop curriculum that meet those needs. Students cannot know what they want to be until they have seen all that there is to be. The Departments will provide technical assistance to grantees for partnership with employers to provide a progression of career immersion activities aligned to jobs that are in demand at the local, state, and national level and are included in one or more of the 14 career clusters contained in the National Career Cluster Framework. Career immersion activities will include awareness activities (job shadowing, career expos, and industry tours); exploration activities (employability skills training, simulated workplaces, and cooperative education); and career preparation activities (internships, externships, pre-apprenticeships, and apprenticeships). The Departments will also share resources and tools that support meaningful engagement between employers and schools so that schools are serving both of their customers: families and the employers who will hire students.

### ***Growing Industry-Specific Training, Including Through Incumbent Workers***

The Departments will also leverage existing authorities **to direct resources towards industry-led training in priority sectors and support the expansion of industry or sector partnerships.** These flexible resources are a primary means for the Administration to target investments towards **critical industry needs** and build a **pipeline of skilled workers in priority industries,**

including shipbuilding, advanced manufacturing, energy production (particularly nuclear energy), and the AI development ecosystem.

For instance, the Department of Labor will consider making funds available to states for an Industry Skills Training Fund that will support businesses in offering training programs that provide workers, including incumbent workers, with the skills needed to fill critical jobs in the local economy. Under this model, participating states will coordinate with the Departments to determine the priority industries and occupations within the state to be supported through the Industry Skills Training Fund. Employers within these industries will assess broad industry workforce needs, identify hard-to-fill roles, determine necessary skills and credentials, and develop or select the appropriate training program to prepare workers with the skills needed to succeed in the job. States would provide outcomes-based reimbursement to participating employers for costs associated with delivering industry skills training to build their workforce. Ensuring the resources are simple to access for employers will be essential to the success of this model.

Meeting critical industry workforce needs will require not only engaging the unemployed but also supporting the voluntary redeployment of workers currently employed in other sectors. In some cases, the only viable path to closing talent shortages in high-priority industries will involve workers leaving current jobs to pursue new opportunities that better align with national economic needs. The Departments will explore strategies to further incentivize and reduce the risk borne by individuals making these transitions, including through faster training pathways, stronger hiring commitments, and more viable financial arrangements. Supporting these types of transitions will be essential to realigning talent with the sectors most vital to American competitiveness.

### ***Modernizing and Aligning Career and Technical Education***

The Trump Administration is exploring inter-agency agreements between the Department of Education and the Department of Labor to develop close collaborations and partnerships that leverage each agency's expertise to maximize alignment between programs. Both agencies will provide a coordinated federal education and workforce system designed to more efficiently assist youth and adults enter into, and persist in, high-wage, high-demand, and high-skilled occupations. This includes partnering in the administration of programs with the Department of Labor, including CTE formula programs funded by Perkins V and the Perkins Innovation and Modernization (PIM) Grant program, which identifies, supports, and rigorously evaluates evidence-based and innovative strategies and activities to improve and modernize CTE. The PIM Grant program also ensures workforce skills taught in CTE programs align with labor market needs and engages businesses in determining those needs. The Administration will ensure that future PIM competitions are focused on further education and workforce alignment, including integrating apprenticeships and advancing innovation in CTE, such as advancing new models of work-based learning, learning and employment records, and skills-

and competency-based education and hiring efforts, rather than focusing on priorities that are already allowable under Perkins V. The Administration will also ensure that PIM Grants drive alignment between CTE programs and the public workforce system by requiring the support of governors and state workforce boards for PIM Grant applications.

**PILLAR II: Worker Mobility: Bringing more Americans into the labor force and helping them advance, including through the innovative use of technology and labor market data**

To reconnect millions of sidelined Americans with meaningful work, the public workforce system must be redesigned for simplicity, accessibility, and results. The Departments will lead an overhaul of **fragmented access points** by promoting shared eligibility standards, simplified intake processes, and integrated digital tools that allow workers to understand their options and pursue clear next steps. These efforts will ensure that regardless of background or circumstances, Americans can find a clear on-ramp to high-wage opportunities without navigating bureaucratic confusion or running into dead ends in the system.

***Engaging and Supporting the Disconnected Workforce***

To bring more Americans back into the labor force, the Departments will prioritize outreach to long-term unemployed and underemployed populations, including those who have left the labor force entirely. The enhanced work requirements for able-bodied adults without dependents (ABAWDs) enacted through The One Big Beautiful Bill will fuel these efforts to reconnect Americans with the dignity of work. The Department of Labor will strengthen its partnership with the federal agencies that administer public assistance programs to maximize the skills training and work opportunities available to ABAWDs through the public workforce system and help these individuals transition off public benefits and become economically self-sufficient. The workforce system can play a critical role in partnering with employers to help train individuals that lack the necessary skillsets and work experience by offsetting some of the wages paid to these workers on their quest to become fully productive. Targeted approaches will be developed for recruiting men aged 25 to 54 who are statistically the most disconnected from the labor force.

The Departments will also support workforce strategies that strengthen transitions **into employment for populations such as veterans** and individuals who were formerly incarcerated. These efforts will focus on building reemployment pathways that recognize prior experience, reduce barriers to entry, and connect individuals to training and supportive services that lead to high-demand jobs. The Departments will work with state and local partners to identify effective models and explore flexible uses of funding to support training, credentialing, and other supportive services where appropriate.

The Departments will work to establish self-sufficiency tools that will allow workers to determine the best pathway to enter paid employment and reach self-sufficiency. As part of this effort, the Departments will explore flexibilities within their programs to help ease the benefits cliff and reduce the disincentive for career advancement, such as through waivers to allow for supportive services to be permissible as a follow-up service after the individual has obtained employment if such services are structured in a manner to smooth the transition off public assistance programs. The Departments will also support strategies that develop core employability skills, which are often essential for reentering and staying in the workforce, particularly for individuals who have been disconnected from the labor market.

The Departments will also focus on the rapid reemployment of dislocated workers. The Department of Labor will identify opportunities to enhance the Reemployment Services and Eligibility Assessment Grants (RESEA) program, specifically in how it connects individuals receiving unemployment insurance (UI) to workforce needs. To the extent possible, the Department of Labor will encourage states to leverage advanced technology-enabled tools to inform the development of individual reemployment plans and more effectively apply UI claimant data to reduce UI duration. The Department of Labor will also work with states on opportunities to reform work search protocols within the UI system to better align UI claimants with the quickest path to return to work.

### ***Using Technology to Enhance Career Navigation & Mobility***

Helping Americans navigate career pathways is a core function of a modern workforce system. Career coaching, whether delivered in person, virtually, or supported by AI tools, helps individuals identify viable paths to advancement, understand their options, and take actionable steps. The Departments will explore opportunities to scale high-impact, tech-enabled navigation and coaching models and ensure tools are designed to empower workers, while preserving the human connection that supports confident career decisions. These tools will be judged by their ability to deliver clear, actionable insights that help Americans access better jobs and help employers fill evolving roles more efficiently. The Departments will invest in digital platforms that promote career mobility, simplify service delivery, and support **rapid skill matching aligned to current labor market demands**. Where feasible, the Departments will support states and grantees in embedding competency-based assessment tools into the participant intake and service lifecycle, including credit for prior learning tools, to recognize prior experience, reduce duplication in training, and help workers advance based on demonstrated skills and abilities.

The Departments will explore the deployment of AI-assisted tools to enhance participant intake, streamline eligibility determination, and connect job seekers to multiple programs without duplication. Modular utilities will simplify frontline staff workflows, and data-sharing agreements will enable single-entry service platforms, reducing burdens and ensuring real-time navigation of training and support options. The Departments will also support the

increased adoption, evaluation, best practices-sharing, and standards-setting for tools that demonstrate the ability to drive tangible labor market outcomes, rather than theoretical interoperability alone.

The Departments will also explore new uses of emerging technologies such as **virtual reality**, generative AI, and adaptive learning platforms to accelerate the development and delivery of workforce training. Virtual reality tools can expand access to hands-on learning and simulate job environments that are otherwise cost-prohibitive to replicate. Generative AI models offer the potential to dramatically reduce the time, cost, and complexity of creating and updating training programs, allowing for faster adaptation to evolving industry needs. AI-driven personalization may also help tailor instruction to individual learners in ways that improve engagement and completion rates. The Departments will support pilots and partnerships that test these technologies in high-demand sectors and will evaluate their potential to scale cost-effectively across the workforce system.

The Departments will support the adoption of skills-based practices across education, workforce, and corporate human resources systems that prioritize **demonstrated ability over formal credentials**. Skills-based approaches can improve hiring, training, and advancement decisions when grounded in clear, job-relevant evaluations. To support this shift, the Departments will promote models that move beyond simply making inferences about an individual's skills and instead evaluate the direct demonstration of those skills. This includes supporting the use of simulations and scenario-based assessments within career navigation, training programs, and hiring pipelines to validate job readiness. Where feasible, federal funding and technical assistance will help states, businesses, and providers adopt these practices at scale. These actions will improve the return on training investments and strengthen the connection between skill development and job outcomes.

### ***Modernizing Workforce Data and Systems***

The Departments will work together to strengthen responsive workforce and labor market information and eliminate information silos that hinder effective program administration, as directed under Executive Order 14243. This includes promoting open-source tools that support real-time skills data infrastructure, evaluating the role and limitations of federal resources like O\*NET and CareerOneStop, and upgrading data capabilities to maximize transparency and accessibility of federal data. The Departments will assess where they can add value in clarifying, cross-walking, or aligning high-quality skills taxonomies already developed by the private sector and explore improvements to their digital tools to ensure they help job seekers and employers make more informed workforce decisions. All three Departments will identify opportunities to unify federal education and workforce data systems and establish a federal initiative that analyzes opportunities for coordination across longitudinal databases, P-20 data sources, administrative wage records, and related programs. This initiative aims to provide states with a single, integrated framework for

tracking education-to-employment outcomes, reducing duplication, and improving cross-agency data alignment.

The Departments will take steps to harmonize eligibility determinations and the online service platforms or interfaces for job seekers who might need to navigate multiple programs, ensuring data from job seekers is captured only once. This will include offering states, local communities, and industry intermediaries modular utilities around labor exchange and case management that synthesize the multiple tracking systems currently used by front line service delivery staff. States choosing to maintain their own workforce technology systems will be encouraged to ensure robust integration capabilities through standard Application Programming Interfaces (APIs) that allow authorized third parties to build job seeker tools that can easily share data with state workforce systems, reversing the longstanding pattern of closed-off state workforce technology ecosystems hampering innovation. The Departments will also issue guidance allowing eligibility determinations and data collected for one program to be used for other programs, where authorizations permit, to reduce duplicative paperwork and focus program and participant time on training and career activities. These technology and process reforms can repair the missed connections on the ground between the multiple federally-funded programs that support job seekers.

The Department of Labor will also evaluate the return on investment of existing American Job Center infrastructure and explore redesigning the national access strategy to better reach today's workforce. This includes supporting states and localities in piloting alternative access points, such as libraries, community centers, faith-based institutions, and other trusted locations with which workers and job seekers already engage. These improvements will complement efforts to modernize virtual tools to engage more individuals and reduce barriers to accessing workforce services.

### *Identifying Credentials Aligned with Industry Demand*

Learners investing their own hard-earned money or taxpayer dollars in training need to know what has market value, so the Departments will develop a public **Credentials of Value scorecard**. The Departments will review ongoing state and private sector initiatives to inform the creation of a national tool that enables employers, job seekers, career coaches, and other workforce stakeholders to compare education and training programs based on quality assurance criteria including labor market outcomes, cost, duration, and credential type. This scorecard could integrate wage record data and credential transparency efforts to support informed decision-making.

The Departments will also strengthen alignment between state eligible training provider lists (ETPLs) and outcomes data. The Departments will strengthen oversight and guidance to ensure state ETPLs reflect **training programs that demonstrate real economic value to workers, while making it easier for these effective programs to establish eligibility across**

**state lines.** This can include issuing guidance defining minimum quality standards for states evaluating provider outcomes using wage record data and ensuring employers validate a need for the training, de-listing programs with consistently poor performance or lacking industry relevance, and publishing comparative dashboards. The Administration is also ready to work with Congress on statutory changes to further orient federally-sponsored training to providers with strong outcomes.

### ***Addressing Common Barriers to Job Training Enrollment and Completion***

The Departments will support local initiatives that partner with community organizations, employers, and faith-based groups to build trust, raise awareness, and offer supportive services such as childcare, transportation, and behavioral health support, that help individuals overcome structural barriers to employment. These supports are often decisive in whether individuals can enter, persist in, and complete training programs that lead to employment and long-term economic mobility. The Departments will work with states to identify how existing federal funding can be more effectively aligned to provide these services in ways that contribute directly to program outcomes such as training completion, job placement, and wage progression. This will include sharing best practices on program design and providing technical assistance on the use of existing authorities.

The Departments will also explore financing innovations that help shift the cost burden off workers, including deferred tuition models, outcome aligned student financing, and other mechanisms that account for the financial risk workers often assume when pursuing training. These models will be evaluated based on their ability to expand access to high-demand pathways and produce strong employment outcomes.

### ***Removing Licensing Barriers to Advance Workforce Mobility***

Occupational licensing requirements can serve as unnecessary barriers that restrict worker entry, block mobility across state lines, and slow transitions into high-demand careers. The Department of Labor will consider launching a coordinated federal analysis to identify the industries and occupations where outdated or inconsistent licensing requirements are limiting labor market flexibility, particularly in sectors with persistent talent shortages. The analysis will examine how burdensome occupational licensing rules intersect with reemployment and training efforts, and will explore strategies to incentivize states to adopt reciprocity frameworks, modernize licensing systems, or test alternatives to licensure. Where appropriate, reforms may be tied to flexible federal funding or performance-based incentives to accelerate adoption.

### *Implementing Workforce Pell*

With the enactment of The One Big Beautiful Bill Act, Workforce Pell Grants provide an opportunity to align the supply of talent and training programs to labor market demand. Workforce Pell will allow learners to access Pell Grants for high-quality, short-term workforce training programs. Programs that are aligned to immediate employment opportunities are key for raising the national labor force participation rate.

The Departments will work with governors and state workforce boards to identify the high-quality programs leading to positive employment outcomes that should be eligible for Workforce Pell. The enactment of Workforce Pell Grants also creates new opportunities to better align WIOA services including case management, career navigation, and employer engagement with training that can be supported through Pell Grants. The Department of Labor can provide technical assistance to states to ensure statutory provisions designed to ensure Pell Grants are the primary source of funding used, when available, are implemented with fidelity.

### **PILLAR III: Integrated Systems: Replacing a fragmented web of duplicative programs with a streamlined, coordinated system that delivers unified workforce services**

#### *Restructuring and Consolidating Workforce Programs*

Consolidating multiple workforce programs into a single, more cohesive system leads the way for states to provide integrated services, reduce duplication, and be more responsive to the evolving needs of industry and the workforce, leading to better employment outcomes for job seekers. The Administration will work with Congress to implement the MASA proposal described in the President's FY 2026 Budget, which will consolidate multiple programs into a single grant for states' flexible use, through WIOA reauthorization or through FY 2026 appropriations provisions.

The MASA proposal could also include additional programs that are currently siloed and are good candidates for streamlined state administration. Just as the Trump Administration is reimagining how to integrate Department of Education programming into the Departments of Commerce and Labor initiatives, the Departments want to challenge states to similarly reimagine their structures. The MASA proposal will allow states to redesign their education and workforce systems around the needs of their learners, job seekers, and employers. For example, some states may determine that integrating entire local workforce board functions at a local community college would make it easier for workers to access the training they need to obtain employment.

To enable states to further streamline programs, the Administration will work with Congress on a legislative proposal to establish an authority for states, similar to the P.L.102-477 authority for Tribes and the flexibility already available to territories, to allow for the consolidation of disparate workforce funding with clear accountability provisions and parameters aligned to the five strategic pillars of the Vision for America's Workforce.

### ***Reorganizing Federal Statistical Agencies***

The Administration will work with Congress to consolidate federal statistical agencies and reorganize the Bureau of Labor Statistics, Bureau of Economic Analysis, and the Census Bureau within the Department of Commerce. This proposal aims to leverage data collection and analysis synergies, increase cost-effectiveness, improve data quality, and reduce respondent burden. The reorganization can shape how the federal government provides labor market information and measures program performance and make the federal government more efficient by housing data organizations in one place.

### ***Streamlining Program Administration***

The Departments will identify opportunities to direct their competitive grant resources towards effective states and grantees so taxpayer dollars can more efficiently benefit the American worker. Specifically, the Departments will structure competitive grant opportunities to award funds to state applicants, as allowable, who will integrate state workforce investments and deliver industry-driven training through central points of access. The Departments' technical assistance will support effective integration of discretionary resources into states' workforce strategies, driven by the needs of industries within each state. Federal reporting burdens will be reduced through harmonized metrics, AI-enabled validation tools, and streamlined data systems that support outcome tracking, not compliance overhead.

To respond to industry needs instead of bureaucratic mandates, the Departments are actively seeking to simplify state staffing and governance requirements. A proposed rule will remove the Wagner-Peyser merit staffing regulations that hamstring state efforts to integrate employment services with training programs. The Departments will support governors in re-organizing their service delivery and agency organizations, using the maximum flexibility available within current law, and providing intensive and ongoing technical assistance regarding the waiver flexibilities that governors have at their disposal.

### ***Building a Unified Federal Workforce Approach***

Federal agencies will also establish interagency agreements to promote efficient and consistent administration of similar workforce programs and better alignment of resources with the Department of Labor as a convening agency. This will create synergy between currently disconnected federal investments in workforce development and drive consistent

implementation of the five strategic pillars across agencies, while fostering a workforce system that is easier to navigate for businesses and workers. Through the use of interagency agreements, the Federal agencies will be able to identify and address programmatic inconsistencies between workforce investments and coordinate federal investments targeting industry sectors critical to the national economy.

**PILLAR IV: Accountability: Ensuring federally funded workforce programs deliver measurable results by linking investments to outcomes & enforcing performance discipline**

*Reforming, Redirecting, or Eliminating Ineffective Programs*

Job Corps is a **failed experiment to help America's youth**, and the Trump Administration is concerned about the program's financial unsustainability and poor performance. Job Corps students do not consistently see improved workforce outcomes, despite an exorbitant Federal cost (some centers spend more than **\$400,000 per graduate**), and students facing similar barriers to employment would be better served in alternative programming at a fraction of the cost. Similarly, the Senior Community Service Employment Program (SCSEP) is ineffective and fails to consistently move seniors into unsubsidized, gainful employment. The Administration proposes to eliminate both Job Corps and SCSEP in the President's FY 2026 Budget.

The Administration proposes to eliminate the Adult Education Program. The Adult Education and Family Literacy Act (AEFLA) is part of the public workforce system by statute, as Title II of WIOA, but duplicates the services provided by other WIOA programs. The Administration proposes to substantially reform the Federal Work Study program to target it **towards demonstrated industry needs, career-relevant employment**, and learner-centered opportunities to serve low-income individuals.

To redirect taxpayer resources away from ineffective programs, the Departments of Labor, Education, and Commerce aim to shift awards to successful programs, by allowing agencies to terminate grants failing to meet first year benchmarks and re-obligating the funding to successful grantees. The Departments will use flexibilities, where available, to incorporate this strategy into competitive awards and will work with Congress to discuss legislative flexibilities to expand the WIOA recapture authority for states to ensure funding does not linger with poor performing grantees. The Departments will also support states and local areas in implementing the allowable but underused pay-for-performance authority, including promoting pay-for-performance contracting and strategies through discretionary grants and easing undue burdens that have stifled interest in pursuing this strategy. **Pay-for-performance strategies direct funding toward providers that demonstrate real success in connecting people to high-wage jobs.** These models ensure public investments generate measurable returns in employment, earnings, and credential attainment.

### ***Streamlining Reporting Administration***

To further ease the burden on states' administration of their education and workforce development resources, the Departments will also reform administrative processes to enhance efficiency and reduce burdens on grantees. For instance, the Departments will streamline and reduce reporting burdens and focus on performance metrics that illustrate measurable impacts on reducing overall unemployment and progressing workers into higher-paid jobs. This includes providing grantees with utilities that simplify data linkages for employment outcomes; easing grantee reporting burden and strengthening data validity; and publishing performance data in a single, easy-to-navigate website to clearly communicate outcomes to taxpayers. Information collection requests will be reviewed across all programs and any data elements that are not statutorily required and do not advance the goals of the program will be removed. The Departments will pursue additional reforms to simplify the performance accountability system under WIOA to ensure it can be fully and consistently implemented to drive program improvement.

This approach builds upon the work of the Census Bureau's Evidence Group, which has developed an infrastructure to: (1) produce characteristics of workforce development training participants and (2) use a standardized approach to gathering data on participants and linking that data to Census Bureau longitudinal data assets, including data on earnings and employment, in order to study the long-term outcomes of these programs for individuals, businesses, and communities. This data infrastructure, along with the Evidence Group's highly skilled social science analysts, enables the Census Bureau to rapidly deploy an analysis framework to build evidence to evaluate any type of workforce development program.

Where feasible, the Departments will harmonize performance measures and direct workforce programs across government to report the employment and earnings outcomes of participants and facilitate the use of administrative data sets like UI wage records to determine those employment outcomes. The Departments will also pilot automation-friendly reporting infrastructure and test the transition from manual, file-based submissions to automated, API-enabled reporting infrastructure, which could submit data continuously through system-to-system connections and use AI-assisted validation tools to reduce error rates.

### ***Evaluating Outcomes and Impacts***

The Departments will also explore other methods to evaluate outcomes. For instance, the Departments will explore how to evaluate training programs based on the earnings change that participants experience after completing training. The Departments will compare the participants' pre- and post-completion earnings with the cost of the program to assess program value and will explore the integration of training program participant cost data to

calculate a “return on investment.” Congress may also consider making earnings change from training a primary indicator of performance for the core programs in WIOA reauthorization.

Programs can also be evaluated in terms of whether they **address talent shortages**. Beyond participant level outcomes, reauthorized programs could directly measure program contribution towards addressing systems-level talent shortages: e.g., **the number of workers a program/system places into priority industries and its impact on closing identified skills shortages in a region**.

### *Verifying Participant Work Authorization*

The Administration is taking significant steps to ensure all taxpayer-funded workforce services are reserved for individuals who are legally authorized to work, protecting high-paying jobs for American workers. The Department of Education issued a Notice of Interpretation requiring post-secondary education and CTE programs to verify the eligibility of participants and the Department of Labor issued a Training and Employment Guidance Letter requiring workforce programs to verify the work-authorization status of all participants prior to delivering services. The agencies will provide technical assistance and monitor grantees to ensure compliance with these policies that are critical to ensure federal workforce programs are not mispending any taxpayer funding on individuals that cannot ultimately accomplish the goal of high-paying employment.

## **PILLAR V: Flexibility & Innovation: Creating new models of workforce innovation built to match the speed and scale of AI-driven economic transformation**

### *Leveraging Statutory Authorities to Promote Flexibility and Innovation*

The Department of Labor will clarify its interpretation of the WIOA waiver authority and promote new waivers to statutory requirements that are barriers to reform and innovation. In considering state waiver requests, the Department of Labor will encourage states to propose innovative reforms that realign their workforce system to match the five strategic pillars of the Departments' vision for worker investment and be held accountable for achieving improved outcomes. For instance, the Department of Labor will continue to encourage states and local workforce boards to provide more WIOA incumbent worker training, including through waivers of statutory caps as needed, and updating priority of service guidance to clarify all job seekers who remain eligible for WIOA programs, including incumbent workers. The Department of Labor will also consider requests for waivers or **pilot authority** that enable partnerships with non-traditional training providers and support models that may fall outside WIOA's current approach for delivering training, particularly where **they are directly tied to measurable labor market outcomes**. When reviewing waiver requests, the Department of Labor will be particularly interested in state proposals that will direct more resources towards building the **talent pipeline** for industry sectors critical **to achieving national economic priorities**.

The Departments also plan to maximize flexibility for tribes, particularly through the P.L. 102-477 authority, often referred to as the “477 Program,” which allows federally-recognized tribes to consolidate their funding into a single award administered by the Bureau of Indian Affairs (BIA) in order to streamline administrative requirements and promote self-sufficiency through workforce and economic development. Tribes seeking to use the 477 Program sometimes face difficulties in federal agency approval processes, limiting the number of tribes that benefit from this authority. Agencies will identify additional programs that tribes could consolidate and will work with BIA to support tribes that want to shift towards the 477 Program.

The Departments will prioritize building a more agile education and workforce system that can adapt to the rapid pace of economic and technological change. This includes identifying and addressing structural and regulatory barriers that slow system response, promoting models that allow for faster feedback loops between employers, workers, and training providers, and using pilot programs to test new approaches. **The Departments will promote strategies that enable faster adjustment of training programs, quicker deployment of new models, and more responsive alignment to real-time labor market needs.**

#### ***Establish AI Workforce Efforts to Identify and Navigate Ongoing Impacts***

Led by the Department of Labor through the Bureau of Labor Statistics (BLS) and the Department of Commerce through the Census Bureau and the Bureau of Economic Analysis (BEA), the agencies will study AI's impact on the labor market by using data they already collect on these topics, such as the firm-level AI adoption trends Census tracks in its Business Trends and Outlook Survey. These agencies could then provide analysis to support tracking of AI adoption, job creation, displacement, and wage effects. Further, the Administration will establish the AI Workforce Research Hub under the Department of Labor to lead a sustained federal effort to evaluate the impact of AI on the labor market and the experience of the American worker, in collaboration with BLS and DOC through the Census Bureau and BEA. The Hub would produce recurring analysis, conduct scenario planning for a range of potential AI impact levels, and generate actionable insights to inform workforce and education policy.

#### ***Prioritize AI Literacy and Skill Development across the Workforce System***

The Department of Labor, in partnership with the National Science Foundation and the Department of Education, will consider publishing a national framework around the core competencies and best practices for AI literacy education that are aligned to industry demand. The framework will provide voluntary guidance to support the evaluation of high-quality AI literacy content and its effective integration into education and workforce systems, to help accelerate AI skill development for American youth, job seekers, and workers across the country.

The Departments will prioritize AI skill development as a core objective of relevant education and workforce funding streams. This will include promoting the integration of AI skill development into relevant programs related to career and technical education, workforce training, and apprenticeships initiatives.

### ***Launch National Networks of AI Learning Efforts***

To ensure broad access to AI-era training, the Administration will support the creation of regional AI learning networks, with employer-led, cross-sector partnerships that serve as training and innovation centers for the AI economy. These networks will build on federal investments in advanced industries and be supported through competitive grants that reward partnerships between employers, community colleges, and training providers. Special focus will be placed on ensuring all communities gain access to these opportunities, creating shared prosperity in the AI era.

The Department of Education, in partnership with the Department of Labor, the Department of Commerce, and the National Science Foundation's AI Institute, will also convene a network of community college and university AI centers to explore how best to integrate AI education across institutional offerings to equip graduates for an AI-driven economy.

### ***Deploy AI-Focused Pilots to Drive Rapid Retraining and Other AI-Era Innovation***

To meet the pace of labor market disruption driven by AI, the Department of Labor will deploy existing authorities and **funding streams to pilot new models for rapid retraining, workforce transitions, and innovation across the workforce system.** The Department of Labor will leverage available discretionary funds, where appropriate, to fund rapid retraining for individuals impacted by AI-related job displacement. Pilots may support worker-directed vouchers or employer-based training models, depending on local capacity and need. The Department of Labor will issue clarifying guidance to help states identify eligible dislocated workers in sectors undergoing significant structural change tied to AI adoption, as well as guidance clarifying how state Rapid Response funds can be used to proactively upskill workers at risk of future displacement. These efforts may include pilots that directly fund innovative training models at the national level, especially those with strong employer validation and measurable outcomes.

The Departments of Labor and Commerce will also rapidly pilot new approaches to workforce challenges created by AI, which may include areas such as rapid retraining needs driven by worker displacement and **shifting skill requirements for entry-level roles.** These pilots will be carried out by states and workforce intermediaries using existing waiver and demonstration authority under WIOA and the Public Works and Economic Development Act, and will be designed to surface scalable, performance-driven strategies that help the workforce system adapt to the speed and complexity of AI-driven labor market change.

## CLOSING

In summary, America's Talent Strategy: Building the Workforce for the Golden Age delivers an industry-led blueprint to secure America's economic strength by establishing **robust talent pipelines in vital sectors**, while creating clear, efficient pathways for millions of workers to access **high-wage careers**. By unifying federal programs, harnessing data-driven tools, and empowering states, employers, and regional partnerships to **drive sector-focused action**, the Trump Administration will close critical skills gaps, boost labor-force participation, and drive sustainable growth. These reforms will arm American businesses with the skilled workers **they need** and will ensure American workers can claim the jobs that build our nation's future prosperity.