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Putting State Dollars to Work: How Governors' Signature Investments Drive Workforce Transformation

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Executive Summary

Governors occupy a distinct position in the American workforce development ecosystem, yet the decisions they make to direct state strategy and influence the way money is spent remains understudied. Under the Workforce Innovation and Opportunity Act (WIOA), Governors wield significant authority over federal workforce dollars, but that authority operates within a defined structure that may limit the way they can use these funds to address the challenges they face. Structural labor shortages, skills gaps, and the needs of workers that federal programs were not primarily devised to reach have led Governors to leverage **state investments** in workforce designed around state priorities.

This report examines Governors’ “signature workforce investments” in five states: North Dakota, Minnesota, Idaho, Massachusetts, and Wyoming. Drawing on interviews with over 40 stakeholders across government, higher education, workforce training, and industry, we examine how each program was designed, funded, and implemented.

Governors’ Signature Workforce Investments

North Dakota: The Regional Workforce Impact Program (RWIP), launched in 2022 and receiving \$15 million in federal funds and \$17.5 million in state funds to date, is a competitive grant program created to fund locally-defined workforce solutions, giving regional actors broad discretion to define priorities. Managed by the North Dakota Department of Commerce, RWIP’s early round funded seven broad workforce priorities—including child care, talent attraction, and training—and later evolved to a targeted sector strategy model requiring employer partnerships. The program’s early phases produced significant results, most notably the creation of 2,589 child care slots.

Minnesota: Drive for 5, established in 2023 through state appropriations totaling \$32 million, provides competitive grants to develop training-to-employment pipelines in five high-growth industries. Administered by the Minnesota Department of Employment and Economic Development (DEED), the program was designed to address key labor market demands while providing participants with high-quality training leading to jobs with family-sustaining wages. DEED has demonstrated an adaptive implementation approach throughout the duration of the initiative, refining wage incentives and expanding employer engagement, while serving over 1,000 trainees so far.

Idaho: Student LAUNCH, introduced in 2023 and allocated \$75 million in state appropriations annually, awards scholarships to high school seniors pursuing postsecondary education and training aligned with in-demand careers. Under the purview of Idaho’s Workforce Development Council, LAUNCH was designed to address a structural misalignment between education pathways and labor market demand. Early results show increased postsecondary participation—including a 5% increase in high school-to-college go-on rate—and meaningful shifts in students’ education and career decision-making.

Massachusetts: MassReconnect, launched in 2023 and receiving \$54 million in state appropriations to date, provides last-dollar financial aid to make community college free for adults 25 and older who have not yet earned a college degree. Led by the Massachusetts Executive Office of Education, the initiative seeks to counter declining community college enrollment and strengthen workforce competitiveness. The program’s access-first philosophy, reflected in its broad eligibility requirements and open fields of study, drove strong early enrollment gains, with community college enrollment growing 39% from Fall 2022 to Fall 2025.

Wyoming: The **Wyoming Innovation Partnership (WIP)**, set up in 2021 with \$14.7 million in federal funds and \$55.6 million in state funds invested over three phases, is a competitive grant program that funds public higher education institutions across a range of workforce, research, and innovation activities. WIP was designed to spur collaboration across a historically fragmented higher education system and drive economic diversification. Housed in the Governor’s Office, program delivery matured substantially over time—leading to results such as 39 new programs, over 1,700 postsecondary enrollments, and 460 internships—while developing a structured metrics framework and deepening partnership across colleges. In pursuit of long-term sustainability, WIP has transitioned under the Wyoming Business Alliance.

Each initiative is unique in design and delivery, but together, they also surface key insights that reflect common challenges and enabling conditions across different state contexts.

Cross-state Insights

- 1. Programs navigated tradeoffs between broad eligibility and strategic targeting (across industries, geographies, and participant populations).** States that adopted broader eligibility criteria were better positioned to scale quickly with less administrative complexity and develop locally relevant projects. States that set more definitive workforce objectives were better able to articulate labor market alignment and hold grantees accountable to specific outcomes.
- 2. Programs engaged with the WIOA system while developing independent eligibility frameworks.** All five programs departed from WIOA participant eligibility criteria, enabling them to engage populations beyond the federal framework’s reach. States varied considerably, however, in how much they drew on WIOA infrastructure—from integration of workforce boards and American Job Centers (AJCs) to programs built primarily through higher education and economic development agencies.

- 3. Programs successfully tracked short-term metrics and are building toward longer-term outcomes tracking, despite operational challenges.** Enrollment counts and credential completions were captured consistently, while job placement and wage gains proved harder to track. This reflects the reality of fragmented data systems and limited interagency data-sharing that many states across the country grapple with. Longitudinal evidence remains a work in progress across all five states.
- 4. Programs evolved after launch as states adapted to implementation realities, refining design, addressing gaps, and responding to stakeholder needs.** Grantee input drove consistent adjustments to application structures, eligibility rules, and reporting systems. Programs also created the administrative and political conditions for expanded successor investments, demonstrating the critical role of well-designed pilots.
- 5. Governor-led workforce investments are building on existing systems to drive change in how stakeholders coordinate and operate.** Governance structures and performance requirements proved to be particularly powerful levers in deepening partnerships and changing organizational behavior. Coordination mandates prompted organizations that had previously competed for resources to begin operating as interdependent partners, while high performance benchmarks drove employers to restructure hiring practices and develop new training programs that extended beyond the life of the grant.

Together, these findings point to a set of policy opportunities that can help Governors and other workforce leaders shape investments in workforce development.

Policy Opportunities

Program Design	<ul style="list-style-type: none">• Use data to inform key targets (e.g., sectors, populations, regions)• Engage employers as co-designers from the outset• Define minimum quality and content standards for funded training programs• Build collaboration requirements into grant design from the start• Consider recruitment and wraparound support costs• Consider piloting before scaling• Invest in pre-launch planning and provide adequate runway to grantees before applications open
Governance	<ul style="list-style-type: none">• Assess agency strengths and align implementation responsibilities to goals• Leverage workforce system infrastructure and expertise
Funding	<ul style="list-style-type: none">• Provide planning grants to support stronger program design, partnerships, and implementation readiness• Leverage and integrate federal funding sources• Ensure grantees have “skin in the game” (e.g., match funding, cost sharing)• Design funding structures to promote equitable access (e.g., regional allocations, reserved set-asides)• Front-load high-cost startup expenses• Aim for flexibility in fund disbursement to accommodate implementation variability
Accountability	<ul style="list-style-type: none">• Define success from the outset and select metrics aligned to those definitions• Build in data collection and reporting mechanisms from launch• Tie funding disbursement to milestone completion or data submission

As Governors seek to grow their state economies, expand access to quality jobs, and build workforce ecosystems aligned with labor market needs, state investments represent a flexible and powerful tool at their disposal. The cases documented here offer insights about putting that tool to work.