

Written Testimony of

Ronald Painter
Chief Executive Officer, National Association of Workforce Boards

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Subcommittee on Higher Education and Workforce Training

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Chairman Guthrie, Ranking Member Davis and Subcommittee Members, I thank you for the opportunity to testify before the Subcommittee today about the progress of reforms to the Workforce Innovation and Opportunity Act made by the Committee and the Congress in 2014. My name is Ronald Painter, CEO of the National Association of Workforce Boards (NAWB). The NAWB represents the nation's 550 Workforce Development Boards and their 15,000+ board members, a majority of whom are private sector representatives, who coordinate and leverage workforce strategies with education and economic development stakeholders within their States and local communities. The Board's primary goals are to ensure that state and local workforce development systems and job training programs meet the specific needs of employers in their cities, states and regions.

As members of this Committee are aware, there is an astonishing amount of "churn" in America's workforce in a single year – much more so than was common decades ago – the most recent year saw over 60 million "separations" from jobs, but also over 62 million hires (for a net gain of 2.6 million jobs). While some of those separated from jobs were able to quickly move laterally to jobs in similar industries that required the same skills, many others struggle to find both the training required for new employment opportunities as well as jobs in new sectors or industries. One role of state and local Workforce Boards is to understand these changes in industries and labor markets and align job training programs accordingly to get people retrained and back to work quickly.

Local Workforce Development Boards are partially federally funded, but also leverage State and local general revenue funds, private philanthropic funding and fee-for-service revenue. We urge the 115th Congress to renew its commitment to maintaining a world-class skilled

workforce through adequate funding of both traditional education, but also the nation's career & technical education and workforce development systems by maintaining funding levels for WIOA programs in FY18. Some in the Administration are advocating for drastically scaling back these federal job training programs, under the premise that the small number of evaluations of DOL workforce programs in recent decades have indicated inconsistent effectiveness.

However, the Workforce Innovation and Opportunity Act of 2014 brought numerous changes to existing federal employment and training programs, including eliminating and consolidating overlapping programs and requiring the Departments of Labor and Education to implement a common performance accountability system across the six WIOA-designated core programs, which will address the lack of previous consistent and regular program evaluation. While the full evaluations are still underway, we have some initial results from the Adult and Dislocated Worker programs and their short-term impacts. To understand the impacts of the availability of services on employment outcomes, the evaluators examined differences across study groups in their receipt of core, intensive, and training services.

The study of these programs used random assignment to allocate individuals to varying levels of service, following "Gold Standard" principles of program evaluation, and the job training sites were also randomly selected for inclusion in the study, so the results are nationally representative of the effectiveness of the Department of Labor's programs. The findings suggest that the availability of "intensive services" increased earnings and employment of program participants, with more modest results for "core" program services. This type of training program, that involves more hands-on and individual attention, proved most popular with participants also. The study also concluded that WIOA-provided intensive job training services were of critical importance in local areas with high unemployment rates, as these areas are poorly served (or not at all served) by other programs. Evidence is also demonstrating that the most effective type of job training is one linked directly to specific work, rather than general workplace skills training that are not aligned with specific jobs in demand in a region. Work-based training models, especially registered apprenticeships and industry-specific training are the most impactful, and deserve additional investment as a result.

Let me briefly mention some examples of effective local programs, supported by WIOA grants, currently serving unemployed Americans:

- **Dislocated worker IT coding Program, Eastern Kentucky:** Based in Hazard County, Kentucky, is an initiative of the Eastern Kentucky Concentrated Employment Program called Teleworks USA. This group identifies and develops legitimate remote-work, distance learning opportunities, and helps people prepare for and land these jobs. Teleworks USA also operates hubs in Annville, Beattyville, Booneville, Harlan, Hazard, and Pike County that offer workspace and workshop learning opportunities for teleworkers who may not have access to suitable internet speeds or computer equipment at home. More than 650 people have gained telework employment since January 2015 through Teleworks USA's network of Teleworks Hubs. This equals an estimated economic impact of more than \$13.1 million in new wages paid to Eastern Kentuckians by telework employers outside the state. The training is supported by a grant, which comes from the Appalachian Regional Commission (ARC), the U.S. Department of Commerce's Economic Development Administration (EDA), and the DOL's Employment and Training Administration, as part of efforts to help revitalize a region that has been hit hard by the downturn in the coal industry.

- **Defense Industry Workforce Needs - Eastern CT Workforce Investment Board:** Builder of nuclear submarines for the US Navy, Electric Boat has a current and ongoing need to hire thousands of skilled workers in the manufacturing fields to meet Navy procurement needs. The Eastern CT Workforce Investment Board has created The Eastern CT Manufacturing Pipeline Initiative to provide no-cost training to address these hiring needs. The pipeline recruits individuals for these skilled jobs and then provides work readiness development, classroom training and on the job training. Electric Boat and its suppliers in the region have benefitted from this program and plan to hire over 500 individuals in the current pipeline, finding that employees that have been trained through this program are better prepared for success. There is a similar program also operating in Newport News Virginia, assisting the workforce needs of the Huntington Ingalls shipyard.

➤ **Urban Healthcare Training - Three Rivers Workforce Development, Pittsburgh PA:**

In Pittsburgh, a large healthcare provider has been struggling to hire and retain environmental service workers (EVS). The quality of EVS workers have a direct correlation to many issues hospitals care about – from customer satisfaction to infection control and re-admission rates. In addition, new hospital materials and new standards around cleaning supplies and techniques made EVS a complex and sophisticated occupation. There were no training programs in the marketplace. so, the provider started to look for options. They partnered with Energy Innovation Center and together they built a lab (a mock hospital unit), designed a curriculum and put together on-the-job training with a clear pathway. A grant of \$400,000 for two years is expected to train and place 250 people, with starting wages of \$12.50. People who are hired day 1 of the training. To date, placement has been 100%.

These examples show that often WDBs can be a core partner with local industries, businesses, local elected officials, community colleges and other regional partners by working to design and fund workforce training programs and successfully recruit participants. However, funding for the core WIOA programs has been declining in recent years. In 2012, funding for some of DOL’s core grant programs was the lowest it had been in more than a decade. These funding cuts lead to the closing of some American Job Centers and a reduction in opening hours for others. Funding cuts also led to fewer career counselors, less resources for training, and reductions in supportive services – such cuts would be even more severe under the Administration’s FY18 proposal.

As a candidate, President Trump supported a vision of creating 25 million jobs over the next decade. Job growth, a key to any sustained economic recovery, is deeply dependent on the workforce system engaging and re-engaging the nation’s labor force to overcome the lowest labor force participation rate since the 1970s. While the President is proposing sweeping reforms in tax, trade, energy and regulatory policies that should spur investment in new business creation and existing businesses to “get off the sidelines” and expand, *these things can only be accomplished if there are educated and properly trained Americans waiting to seize these new job opportunities.* There are presently 6 million U.S. jobs vacant largely because of a shortage of qualified workers who lack the specific training or skills to be hired for these positions. This

mismatch between training and landing jobs in high-demand occupations means there is room for improvement in market efficiencies. Local workforce development boards touch millions of current and potential job seekers that can help ease the situation.

The NAWB, and its members, stand ready to help develop the new job training programs this country so desperately needs. We fought hard in WIOA to retain the business majority on workforce development boards because we believe that the private sector brings the twin laser focus on the issues of efficiencies and continuous improvement. The NAWB also urges the Congress to reject proposed cuts in FY18 to WIOA programs, as new evaluations of the programs are still underway and advances in better data gathering and analysis further offer promise for more effective delivery. The NAWB believes it is not wise to divest at this time in a system that has worked with local partners for decades to help communities and workers make the difficult transitions to new jobs and industries. Thank you again for inviting us to testify today.