



# OPENING STATEMENT

House Committee on Education and Labor

Chairman Robert C. "Bobby" Scott

## Opening Statement of Chair Frederica Wilson (FL-24)

Subcommittee on Higher Education and Workforce Investment Hearing

*Workforce Innovation and Opportunity Act Reauthorization: Creating Employment Pathways for Dislocated Workers*

Wednesday, May 26, 2021 | 12:00 p.m.

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Today, we meet for our second bipartisan hearing on reauthorizing the *Workforce Innovation and Opportunity Act*, or WIOA. This hearing will address key priorities to support workers who have been forced out of their jobs and to help workers avoid future displacement through lifelong learning.

WIOA supports an array of programs that provide displaced workers with the skills and support they need to attain higher-paying and more rewarding careers.

These include career services—ranging from career planning and counseling to supportive services and needs-based payments. WIOA also provides workers with access to training services—that is support so important—including on-the-job training, which allows workers to earn while they train and have individual training accounts, or I-T-As, which workers can use on approved, in-state training programs.

There is no better time to strengthen critical initiatives that help displaced workers get back on their feet, particularly as millions of workers remain unemployed or underemployed due to the pandemic. What's worse—too many of the jobs lost during the pandemic will not be coming back.

Yet, since well before COVID-19, Congress has underfunded workforce development programs under WIOA, making their services largely unavailable to the workers and businesses they are intended to serve. Over the last decade, federal funding for workforce systems has *decreased* by nearly 20 percent—adjusted for inflation. WIOA's core dislocated worker programs, specifically, received appropriated funding below authorized levels by a combined \$500 million between fiscal years 2016 and 2020.

As a nation, we have repeatedly failed to sufficiently invest in workforce infrastructure. The United States currently spends only about 0.1 percent of its gross domestic product on workforce policy, compared to an average of 0.6 percent in other developed nations.

In fact, in the last program year, only around 30 percent of people who interacted with the public workforce system were actually able to access training because of the lack of funding.

This chronic underfunding is a significant barrier to preparing workers to remain competitive in the global economy. It is also particularly frustrating given WIOA programs' long record of helping employers and displaced workers overcome the challenges they currently face.

For example, a 2017 study found that individualized career services under WIOA, including individualized employment plans and counseling, increased earnings for workers by up to 20 percent over a 30-month period.

And, in 2019, WIOA's Displaced Worker programs served more than 250,000 people—with more than 70 percent of those workers employed one year after they left.

However, we should aim higher than just adequately funding WIOA to respond to workers' displacement. We must also take proactive steps to prevent workers from being displaced in the first place.

Today, with the help of our expert witnesses, we will discuss how we can expand access to the lifelong learning and career navigation support that workers need in this ever-changing economy.

These steps include expanding program eligibility to ensure more workers can access the full range of benefits and supportive services. Currently, workers displaced by trade receive comprehensive support under the *Trade Adjustment Assistance Act*, but workers displaced for other reasons have access to a far more limited range of services under WIOA.

We can also expand other career services and better track in-demand skills and competencies for workers to upgrade their skills. This will enable more workers to rejoin or stay connected to the workforce at a time when businesses need talented employees.

The importance of this effort to strengthen WIOA is best understood through real-life success stories. Take—for instance—Wendie, an Idaho resident who was laid off from her job as a sales representative where she earned \$21.00 an hour and benefits.

After several unsuccessful interviews, she had a temporary, part-time, and on-call retail position at Walmart paying \$9.00 an hour, with no benefits.

Here was Wendie, an unemployed worker over the age of 50, who was feeling discouraged and doubtful that she could compete in the modern economy. With support from WIOA-funded programs, she enrolled in a training program that helped actually turn her life around.

After completing the program, she was hired for an upper management job with Walmart's home office, making \$25.00 an hour with benefits. This success story can be replicated for millions of workers if we simply commit to funding and strengthening WIOA.

Today, we will discuss how we can help displaced workers forge a pathway forward while also preparing them with the lifelong education and training to navigate our changing economy.