NATIONAL SKILLS COALITION
Every worker. Every industry. A strong economy.

June 4, 2012

The Honorable John Kline
Chair
Committee on Education and the Workforce
United States House of Representatives
Washington, DC 20515

The Honorable George Miller
Ranking Member
Committee on Education and the Workforce
United State House of Representatives
Washington, DC 20515

The Honorable Virginia Foxx
Chair
Subcommittee on Higher Education and Workforce Training
United States House of Representatives
Washington, DC 20515

The Honorable Ruben Hinojosa
Ranking Member
Subcommittee on Higher Education and Workforce Training
United States House of Representatives
Washington, DC 20515

Dear Chairman Kline, Ranking Member Miller, Chairwoman Foxx, and Ranking Member Hinojosa:

On behalf of National Skills Coalition—a national network of business leaders, union affiliates, community colleges, community-based organizations, and public workforce agencies working together to help every worker and every industry in this country gain the skills they need to compete and prosper in today's economy—I am writing to express significant concerns with the Workforce Investment Improvement Act of 2012 (HR 4297).

National Skills Coalition feels strongly that Congress should take up reauthorization of the Workforce Investment Act (WIA), and we appreciate the Committee's consideration of this important issue. WIA has not been reauthorized since its enactment, and is now nearly a decade overdue for reauthorization. Given the skill needs of the U.S. economy—the Bureau of Labor Statistics (BLS) reports that two-thirds of all job openings over the next decade will require some education or training past high school—it is vitally important that we strengthen and reform the nation's federal workforce development system to better ensure that workers have the skills they need to get and keep family-supporting jobs, and that businesses have access to the skilled workforce they need to compete in the global economy.

We believe that any federal workforce policy reforms should be driven by three core goals:

1) Enhancing the *effectiveness* of our nation's workforce system in meeting the skill needs of all U.S. workers and businesses, through expanded access to training and greater industry involvement in determining what that training should entail;

2) Strengthening *accountability* across all of our workforce and education programs, so that states and localities are aligning limited federal resources with labor market demand, while also ensuring that the needs of all individuals, including those who are harder-to-serve, are met; and

3) Promoting *innovation* by building on the lessons learned and best practices developed over the past 15 years by the workforce field, so that high-performing states, localities and practitioners can bring those innovations to scale, and so that others are encouraged to adopt these effective practices to better meet the needs of local workers and industries.

Unfortunately, it seems that some of the policy changes proposed under HR 4297 may not actually achieve these goals. Our principle concerns with the bill include:

- First, in the name of alignment and improving efficiency—necessary goals for our future workforce system—HR 4297 adopts a broad consolidation approach, eliminating 27 federal programs that collectively provide a variety of services to support the training and employment of many different types of workers. However, consolidation, in and of itself, will not produce reform. Simply combining funding for a list of programs does not guarantee that workers or businesses will be any better served if those investments are not guided by the effective practices developed by the workforce field over the past 15 years. The Workforce Investment Fund block-grant proposed under HR 4297 would do little to require states to adopt documented, effective practices, and may actually create perverse incentives for even high-performing states to abandon effective strategies they have implemented to bring a wide range of people into the skilled labor market.

- Second, HR 4297 emphasizes the need for workforce programs to be more closely aligned with changing industry needs, a goal National Skills Coalition strongly supports. However, simply increasing the percentage of employers serving on Workforce Investment Boards (WIBs) will likely do little to increase the number of employers involved in the local or regional definition of industry-recognized credentials or in the design of related training and employment strategies. At the same time, by decreasing the role of other community stakeholders' participation on the WIBs—including community-based organizations, service delivery providers, labor representatives and youth advocates—HR 4297 actually threatens to limit the range of perspectives in the planning of workforce services that will meet the needs of both employers and workers within local communities.

  Under current law, there are WIBs with 51 percent employer membership that are actively collaborating with multiple firms and other stakeholders in industry-specific sector partnerships, and at the same time there are WIBs with 51 percent employer membership that are not. The number of employers on these WIBs is not the determinant factor. Rather, it is how many employers are meaningfully engaged through industry-specific partnerships, such as those proposed in the SECTORS Act (HR 1240) introduced by Representatives Platts and Loebsack (and passed unanimously by the House last year). To truly engage employers, the development of such sector partnerships needs to be a state and local priority with funded capacity to help maintain these partnerships so the system can quickly and effectively respond to changing industry needs.

- Third, and perhaps most troubling, HR 4297 seems to ignore the diversity of individuals who are part of our nation's rapidly changing workforce. With mounting skill demands and the pending retirement of millions of skilled baby boomers, we must ensure that every U.S. worker, even those with the greatest skill needs, can eventually qualify for skilled employment. We need a diversity of pathways into the labor market that meet the skill needs of all jobseekers: young people struggling to find their first job; mid-career dislocated workers who have been employed for 20 years but who now must re-train for a new occupation or even to remain in their own industry; older workers who are postponing retirement and need some skills and support to continue earning a living; and vulnerable populations such as disconnected youth, individuals with low-literacy or limited English proficiency, migrant and seasonal farmworkers, and low-income single-parents.

  HR 4297 requires that states set aside just 2 percent of formula funds for services for individuals with barriers to employment, a substantial drop from the already inadequate resources devoted to those job-seekers. It removes the provision of supportive services as an allowable use of funds. It eliminates the current priority of services for low-income individuals. It sets an 18 percent cap on services to low-income youth, and would not hold states accountable if they spent significantly less than that. And, beyond those provisions and programs that the bill would eliminate through consolidation, it further opens the door for states to use "super-waivers" to roll other federal programs that serve our most vulnerable into the same undifferentiated pot—including Temporary Assistance for Needy Families (TANF), Trade Adjustment Assistance (TAA), Vocational Rehabilitation services, and the Community Services Block Grant. As a result, it seems almost certain that the consolidation of programs proposed under HR 4297—particularly when coupled with the numerous policy changes in the bill that reduce protections for low-skilled, low-income, and other targeted populations—will almost certainly reduce access to education and training services for our nation's most vulnerable workers.

- Finally, the level of investment in a skilled workforce provided under HR 4297 must be considered in the context of the current fiscal debate. While the committee appears to cap the authorization at close to Fiscal Year (FY) 2011 funding levels rather than propose deep cuts, National Skills Coalition is extremely concerned that consolidation proposals like that proposed under HR 4297 have been cited by others in Congress—including Budget Committee Chairman Ryan in his budget blueprint—as rationale for continuing our nation's disinvestment in the skills of its people, across a range of programs: adult education, job training, career and technical education, and even higher education. The House-passed FY 2013 budget resolution would cut over $16 billion from our nation's education, workforce and social service programs under Budget Function 500. We fear the passage of HR 4297 will be used to justify extremely deep cuts in skills investments.

It is our hope that the Committee will use the upcoming mark-up process as an opportunity to address these concerns and work toward a bipartisan WIA reauthorization bill that truly addresses the skills needs of U.S. workers and employers.

Please do not hesitate to contact us if you have any questions or if we can be of further assistance. We look forward to continuing to work with you on this important issue.

Sincerely,

Rachel Gragg, Ph.D.
Federal Policy Director

Cc: Members Education and the Workforce Committee