

March 4, 2013

The Honorable John Kline
Chairman
Committee on Education and the Workforce
U.S. House of Representatives
Washington, DC 20515

The Honorable George Miller
Ranking Member
Committee on Education and the Workforce
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Kline and Ranking Member Miller:

As you approach mark-up of The Supporting Knowledge and Investing in Lifelong Skills Act (“Skills Act”) (H.R. 803) introduced by Reps. Foxx, McKeon and Heck I write to express concerns relating to several provisions within the bill. We believe this bill will detract from the ability of disadvantaged populations to benefit from our nation’s one-stop job training system and to obtain the skills they need to move toward economic security. As drafted, the Foxx bill repeals effective, non-duplicative job training programs, eliminates supportive services, eliminates the existing priority of services for low-income individuals and diminishes the input of stakeholders other than businesses on Workforce Investment Boards.

Most fundamentally, we believe that the purpose of the nation’s workforce development system should include serving the needs of workers as well as the needs of employers. Furthermore, the nation’s workforce development system should include providing workers the opportunity to develop the skills necessary for jobs leading to economic security, or, at a minimum, self-sufficiency. Foxx’s bill’s stated purpose is to provide workforce investment activities in a way that “enhances employer engagement,” “promotes customer choice” of training services and “ensures accountability” in the use of funds. Foxx’s bill neither defines nor mentions worker self-sufficiency except as one goal of Adult Basic Education and Family Literacy.

In contrast, the Workforce Investment Act of 2013 (“WIA”) introduced by Reps. Tierney, Hinojosa and Chairman Miller (H.R. 798) requires states to describe in their state plans their vision and goals for developing the skills needed for both economic growth and economic self-sufficiency. In Section 101, the legislation defines economic self-sufficiency as “a wage sufficient to support a family adequately and, over time, to save for emergency expenses and adequate retirement income” taking account of local cost of living, family size and other geographic factors.

H.R. 803 repeals section 134 (e)(2) of current law, which permits local WIA dollars to be used to provide supportive services when participants are unable to obtain them from other programs in the community. Supportive services, such as dependent care, transportation or needs-based payments, are often essential in order for single parents, seniors, disabled and very low-income individuals to participate in on-going pre-employment services, education and job training. In recent years, the availability of such services through other community programs has been reduced as a result of state and local budget cuts following the recession.

Overall, H.R. 803 fails to adequately address factors that currently keep the most disadvantaged workers from qualifying for actual training services. First, it eliminates the current provision, Section 134(d)(4)(E), that gives priority to recipients of public assistance and other low-income individuals for training and intensive services. Low income adults, disproportionately women, minorities and single parents, are currently less than one-half of those who receive these most valuable services.

The legislation appears to stress “work ready” services in a way that perpetuates the system’s current “sequence of services,” which prevents many customers from receiving skill training unless and until they progress through the most basic job search and readiness services. Also, the bill fails to increase WIA resources overall, which peaked in 2000, even as it expands the number of discretionary activities permissible at the local level.

The Foxx bill eliminates required membership on state workforce boards of representatives of labor and individuals representing youth and organizations with expertise in delivering services, including community colleges and community-based organizations. It also requires a two-thirds business majority on local boards and eliminates requirements for representation of labor, local educational entities, community-based organizations, economic development agencies and one-stop partners.

Of particular concern to advocates for special populations with barriers to employment – displaced homemakers, women seeking nontraditional careers, older workers, farm workers, ex-offenders, Native Americans, veterans, refugees and others -- is the bill’s repeal of 15 programs designed to deliver services tailored to many of these populations with specific goals and needs. The “repeals” section of the bill (Section 401) is separate from and in addition to the “consolidation” of 27 other programs into a “Workforce Investment Fund.” Programs repealed include Women in Apprenticeship and Nontraditional Occupations (WANTO), and the Senior Community Services Employment Program (SCSEP), both of which, the GAO concluded, provide specialized services to populations “not targeted by any other of the (47) programs we surveyed.”ⁱ

Instead of repealing job training programs, the Tierney bill would provide for a way to conduct GAO evaluations to ensure that each federally funded program runs efficiently and effectively in providing job training services, particularly to those with barriers to employment. Moreover, this bill increases cross-program alignment, including with Department of Education career and technical education programs. Importantly, H.R. 798 adds to the definition of “individuals with barriers to employment,” persons with “lack of work experience or access to employment in nontraditional occupations,” thus increasing the likelihood that “nontraditional services” will be woven into many aspects of the one-stop system.

H.R. 803 does call for state and local workforce plans to consider how they will address the needs of populations served by the programs it repeals as well as other populations with barriers to employment. It also requires governors to reserve two percent of the state’s allocation for grants to serve certain populations with “barriers to employment.” However, that amount must come from a smaller pot. Under the circumstances, it is doubtful that governors would be willing or able to maintain or initiate the services now provided by all of the existing programs that would be repealed.

The WANTO program addresses both the gender pay gap and employers’ needs for skilled workers by broadening the potential workforce for relatively higher paying occupations in traditionally male fields by introducing more qualified women. Male-dominated technical occupations and those in manufacturing and skilled trades typically pay at least 30% more than the clerical, service, and health care jobs (except nursing) held by women who have less than a four-year degree. An independent evaluation of WANTO’s effectiveness over nine years found stakeholders nearly unanimous in their assessment of the program’s value, with employers saying the most important benefit to them was its referral of qualified, skilled workers.

SCSEP is the only federal program specifically targeted to employing individuals age 55 and over with incomes below 125% of the federal poverty line (\$13,963). Participants, 72% of them women, earn the minimum wage for part-time work in local community service agencies while learning skills transferable

to other local employers. For example, the typical unemployed SCSEP participant whose monthly income was \$359 before the program could increase her earnings sufficiently to cover basic expenses of \$1,672 per month as measured by the Elder Economic Security Standard Index for Minnehaha County S.D.

As an organization deeply concerned about the ability of our nation to return to high economic growth and to develop the skills of all who want to participate in the workforce, we urge you to consider these views in your reauthorization of the Workforce Investment Act.

Sincerely,

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ⁱ "Multiple Job Training Programs: Providing Information on Collocating Services and Consolidating Administrative Structures Could Promote Efficiencies," Feb. 2011, p. 13, <http://www.gao.gov/assets/320/314551.pdf>