

Workforce Stakeholders Group Statement on Reforming Job Training Programs in America

Preamble

In the first decade of this millennium, our nation has faced enormous tragedies, challenges, and changes that have diverted policymakers from giving workforce development and skills attainment the level of priority needed. As a result, a number of key Acts are due or soon due to be reauthorized. These Acts include:

- The Workforce Investment Act (WIA);
- The Carl D. Perkins Career and Technical Education Act;
- The Higher Education Act (HEA);
- The Older Americans Act (OAA)
- The Trade Adjustment Assistance Act (TAA); and
- The Temporary Assistance for Needy Families Program (TANF).

Many of these laws authorize unique and important programs and services to common populations; therefore, the Workforce Stakeholders Group believes that the 113th Congress has a strong opportunity to:

- Create a cohesive and broad workforce system that leverages the unique strengths and resources that numerous systemic components (see list below) bring to the table;
- Remove the systemic barriers that allow people to fall through the cracks and that prevent them from reaching their full potential; and
- Improve the productivity of business through the provision of skilled, competitive, and motivated workers.

Components of the broad workforce system include:

- The workforce system/WIA;
- higher education;
- career and technical education;
- adult education;
- veterans' programs;
- law enforcement and corrections;
- The Temporary Assistance to Needy Families program; and
- supportive services such as housing and food assistance.

As our nation slowly recovers from the worst recession since the Great Depression and unemployment stubbornly hovers at close to 8 percent, millions of people are seeking supports

that will help them meet basic needs. Many have turned to safety net programs for assistance with housing, food, transportation, child care, and cash.

In addition to programs that provide support with such basic needs, millions of people are also seeking skill-building and advancement opportunities that will put them on a career path that leads to financial stability and economic security. These include job training, employment services, transitional jobs, vocational rehabilitation, and education (alternative education, adult education, and postsecondary education). Many unemployed, low-wage workers, or people in transitional jobs need access to additional education and training through a postsecondary institution. Some turn to Adult Education programs to gain academic skills that high schools did not provide. Many veterans turn to the Department of Veterans Affairs for benefits and assistance in overcoming their employment challenges. People with disabilities utilize vocational rehabilitation programming for help in addressing their employment challenges. And millions more also turn to the workforce system for help finding a job.

The Workforce Stakeholders Group agrees that systemic improvements could be made to better promote cross-functional program collaboration and systemic integration in order to increase investments in quality services, resources, and training. The group believes that these goals should be achieved by preserving important programs and systems with a track record of success in providing a range of services to specific populations with unique barriers to employment, including veterans; people with disabilities; youth; older workers; people with a criminal background; migrant and seasonal farmworkers; Native Americans; people who are homeless; and women seeking non-traditional employment opportunities, so that they can successfully gain the skills needed to participate in one of the cornerstones of American society – the workforce. Furthermore, the broader workforce system must ensure that these special populations receive high quality career guidance, education, skill training, supportive services and placement.

More specifically, individuals and organizations that are concerned about workforce development and skills attainment, have been working for a decade to enact many needed improvements through Workforce Investment Act (WIA) reauthorization. Unfortunately, Congress has not passed a bi-partisan WIA reauthorization bill, which has prevented enactment and implementation of important improvements, while leaving the system vulnerable to criticism and budget cuts.

Rather than rehashing old debates that have proven to be unproductive and divisive, the Workforce Stakeholders Group believes we should refocus our attention on the following question:

“What outcomes do we want from our workforce system, and what elements are needed in order to put the system in a position to achieve them in a constantly changing environment?”

The Workforce Stakeholders Group answers that question with the following:

Desired Goals

The Workforce Stakeholders Group believes that Congress should develop a blueprint that would create a comprehensive workforce system that leverages the unique strengths and expertise of its

systemic components. Together, this broad workforce system should achieve the following equally-important goals.

Serve Employers and Businesses: Businesses are most competitive when they have access to a strong, agile, and skilled workforce. Such a workforce includes workers who are prepared for the jobs that employers seek to fill today, and have the ability to learn and build on those foundational skills in order to perform the jobs of the future. The comprehensive workforce system should connect businesses to workers who have the job skills employers seek, or the ability to learn needed job-specific skills on the job. In addition, the workforce system should work with businesses to increase employment equity, improve job quality and retention, and provide training and educational opportunities to workers to ensure that workers remain current with industry advancements.

Serve People: America's 143 million working people and its 12 million job seekers represent diverse groups with a variety of needs. The comprehensive workforce system must use a holistic approach to advance people along a continuum that leads to work opportunities, career advancement, and economic and family stability. Depending upon the person, the intensity and length of this journey will vary greatly. The comprehensive workforce system should be prepared to assist people whenever they seek its support.

Contribute to Building Stronger Families and Communities: America's communities have the potential to be the engines of full national economic recovery and growth. Realizing this potential requires investments not only in places, but also in people. The federal government makes a number of investments in the physical capital of urban communities, including public housing and transportation development. These initiatives have the potential to pay off not just in terms of improved community resources, but also in terms of job opportunities for local residents. But these opportunities are lost for a large portion of urban residents—low-literacy, low-skilled adults in particular—unless there are high-quality employment and training services that prepare them for the jobs created by federal investments. A comprehensive workforce system should better coordinate investments we make in local communities with investments we make in the people who live in those communities. The workforce system can help build stronger and more stable communities by connecting workers to and qualifying them for the best possible jobs, and helping businesses find the skilled workers they need.

Needed Elements

The Workforce Stakeholders Group believes that the following mix of elements and attributes is needed in order to achieve the goals outlined above.

Integrated and collaborative: The Workforce Stakeholders Group believes that the comprehensive workforce system should treat people holistically and be collectively held accountable for ensuring that people do not slip through the cracks between each unique component that makes up the broad workforce system. Regardless of a service seekers entry point into the broad workforce system, its individual systemic components should have the capacity and motivation to ensure that service seekers are connected to additional programs and services that are outside the functional scope of any systemic component. Furthermore, individual components of the broad workforce system should have access to information and

data needed to view service seekers holistically rather than narrowly focusing attention only on the specific symptoms that the component has the functional capacity to address.

With this context, the group believes that the current dialogue must shift from *consolidation* to promoting *integration* and *collaboration* among existing resources and programs. The group is concerned that a consolidated block grant would lack the sophistication needed to appropriately direct resources to address unique target populations' needs and challenges. *Integrated* programs, on the other hand, would preserve population-specific resources where they are most needed, and would likely result in cost-savings that could be reinvested in proven workforce development and job training programs to continue to build and sustain the strong and adaptable workforce needed to keep America economically sound and competitive.

The reauthorization of programs such as WIA, CTE, HEA, TANF, and TAA also presents an opportunity to encourage and strengthen *collaborative* partnerships that leverage the infrastructures, expertise, and resources of service providers, businesses and employers, and stakeholders that serve common populations. Such innovative approaches can serve to bridge the very supports and programs administered by multiple federal agencies.

The current workforce system (WIA) is designed to provide services and training that will quickly prepare consumers to obtain jobs that employers are seeking to fill. Often serving people who are out of work and needing immediate employment, it is frequently engaged in crisis intervention. It is not designed or resourced to help consumers, particularly individuals who are hardest to serve or people who have been placed in jobs, yet need to obtain additional skills and credentials that will help them to advance in their careers. Currently, there are many workforce organizations engaged in successful collaborative partnerships, particularly with educational institutions like community colleges that can often provide training and industry-recognized credentials in career and technical education programs. The workforce system plays a key role in these partnerships because it provides workers with information to navigate their local labor market as well as with tools to be better prepared for jobs.

The Workforce Stakeholders Group believes that consumers could be better served by promoting collaborative partnerships that provide clear bridges between all the systems that serve common populations such as those supported by the U.S. Departments Labor, Health and Human Services, Education, Veterans Affairs, Justice, Housing and Urban Development, and Agriculture. Furthermore, partnerships that engage local community-based organizations and sector-based partnership in this capacity leverage the additional resources, experience, and infrastructures; allowing these additional resources to supplement federal resources aimed at common populations.

By rewarding collaborative partnerships that are part of a holistic approach that bridges systems, consumers would be better served than through a program-specific approach that focuses only on the issues that that fall within the scope of individual programs.

Accountability: While the comprehensive workforce system should be collaborating and better leveraging one another's scarce resources to achieve the goals outlined above, the Workforce Stakeholders Group recognizes that each systemic component within the comprehensive workforce system has its own specific performance outcomes that must be achieved. To the

greatest extent feasible, the group believes that system-specific outcomes should align with and support the ultimate goals of the comprehensive workforce system.

The accountability system for the broad workforce system should:

- Provide data that is essential for efforts to overcome disparities in employment and programmatic outcomes by reporting by sub-population, including at least gender, race, ethnicity, disability and age;
- Ensure that people, regardless of the system they first turn to for help, are successfully engaged and welcomed by the system(s) that is/are best positioned to address individuals' employment challenges.
- Take into account individuals' unique employment challenges in order to ensure that hard-to-serve populations are indeed served, and that services are appropriate and meaningful.
- Account for economic conditions in local labor markets and individuals' characteristics when they enter programs.
- Provide the comprehensive workforce system with the capacity to collectively track individuals' interim successes along their career and educational paths.

Employers indicate that it is difficult to find workers who are qualified to perform the jobs they need to fill in order to maintain productivity. Especially at a time when unemployment is high, it is perplexing that millions of jobs are going unfilled. The comprehensive broad workforce system should be held accountable for helping to close the skills gap by working with businesses, industry, and employers to ensure that incumbent and future workers are connected to resources that will help them acquire the hard and soft skills employers seek. Policymakers should also recognize the need to invest in and maintain a data management capacity that allows the different systems within the broader workforce system to improve alignment and foster accountability.

Resources: Without sufficient resources, even the best-designed system will fail to produce the desired outcomes that the system is designed to achieve. The Workforce Stakeholders Group believes that Congress should authorize resources based upon what is needed to train and educate the workforce of the 21st century.

Despite federal disinvestments of more than 30 percent since 2002—with more than \$1 billion in cuts just since 2010—critical employment and training programs stand to lose billions more under current proposals to reduce the federal deficit. Such cuts are already having an impact: a recent survey of workforce providers found that more than three quarters expected to reduce training as a result of already reduced funding levels, and nearly half believed they would have to cut back on services for employers seeking skilled workers.

Program	2002¹	2013²
WIA³	\$4,801,217,456	\$2,603,315,124

¹ All 2002 figures adjusted for inflation.

² As enacted under the current continuing resolution (P.L. 112-175) through March 27, 2013

³ Represents funding for WIA Title I Adult, Youth, and Dislocated Worker programs

ABE	\$738,907,137	\$594,993,000
CTE	\$1,643,307,607	\$1,123,030,275
ES	\$1,234,405,967	\$700,841,901
TANF	16 billion	28% loss of value due to inflation ⁴

Our nation’s economy cannot function without a skilled workforce. According to the Center on Education and the Workforce at the Georgetown Public Policy Institute, by 2020 nearly two out of every three U.S. jobs will require some postsecondary education and training.⁵ Research suggests that the demand for workers with postsecondary education is growing much faster than the supply, and by 2025 the U.S. will need 20 million more people with a postsecondary degree or credential than our nation is currently on-track to produce.⁶

America’s workers depend on these education and training programs. Last year, more than 9 million individuals received training and related services through the federally-supported workforce investment system—an increase of nearly 250 percent in just two years. Millions more received training and employment services through youth, career and technical education, adult education, vocational rehabilitation, and veterans’ programs that will help them pursue good jobs or further postsecondary education.

Additional funding cuts would shut the door on these hard-working individuals seeking employment, significantly limiting their access to the skills and credentials needed to succeed in today’s labor market. It would stifle the ability of U.S. businesses to find the skilled workforce they need to take advantage of new markets and emerging economic opportunities, putting our nation at a competitive disadvantage at a time when other countries are ramping up their own investments in human capital.

The Workforce Stakeholders Group believes that the steady erosion of funding for the workforce system must be reversed. While concerns about the deficit may create a temptation to cut programs, in the long term, we need to investment in the skills of America’s workforce so that more people can develop the market-ready skills to meet the needs of U.S. industries and the larger U.S. economy now and in the future.

Special populations: The group strongly believes that programs that aim to meet the special needs of certain populations must be a high priority, properly resourced, and measured to ensure that special populations have access to quality services that holistically address their unique challenges. Therefore, the needs of special populations must continue to be a priority. A consolidated block grant would lack the sophistication needed to appropriately direct resources to address unique target populations’ needs and challenges.

⁴ As calculated by the Center on Budget and Policy Priorities, <http://www.cbpp.org/cms/?fa=view&id=3534>

⁵ <http://www9.georgetown.edu/grad/gppi/hpi/cew/pdfs/CTE.FiveWays.FullReport.pdf>, pg. 2

⁶ <http://www9.georgetown.edu/grad/gppi/hpi/cew/pdfs/undereducatedamerican.pdf>, pg. 10

Several programs were created with the intention of ensuring the provision of services to specific populations that are unlikely to be feasible in a general-population service setting. For example, experience informs us that youth are typically better served in the context of a youth-specific program rather than in a general program.

Other programs were created because a national program better serves the target population. For example, migrant and seasonal farmworkers are an extremely mobile population and it is unrealistic for Congress to expect governors to serve people who only work briefly in their states and then move elsewhere.

As Congress works to create a comprehensive workforce system, the Workforce Stakeholders Group urges Congress to ensure that the system is equipped and able to provide the right services and supports to help people to overcome their unique and personal employment challenges.

Employers and Industry: The U.S. workforce system is often criticized as a sum of disconnected parts, with worker training poorly matched to industry demand, a lack of focus on industries that are the most important to local economies, and duplicative business outreach and workforce training services. A comprehensive workforce system will better engage employers and industry at the local and regional level, and ensure that workers are obtaining the skills and credentials employers are seeking for job opening in local and regional economies.

Sector strategies respond to such criticisms. At the regional labor market level, they are partnerships of employers in one industry that bring together government, education, training, economic development, labor, and community organizations to focus on the workforce needs of their industry. At the state level, they are policies and investments that support the development of local sector partnerships. A growing body of evidence demonstrates their effectiveness for employers and workers.

When employers find effective ways to work together with the public education and training systems—particularly the small and mid-sized firms that are increasingly responsible for U.S. job creation—they can improve their profitability. In a survey of employers participating in sector partnerships in Massachusetts, 41 percent reported reduced turnover; 19 percent reported less rework on the job; 23 percent reported fewer customer complaints; and 100 percent of the companies said that participation in a sector partnership was valuable.⁷

Workers also benefit from involvement in a sector partnership. Navigating the education market to secure the knowledge-based skills required in today's economy is as daunting as navigating the labor market. Thousands of credentials exist, including full degrees, short-term certificates, and professional licenses. Which ones do employers accept? Which education and training programs are flexible enough to allow working adults to complete them and obtain their credential? Public sector programs serving industry and job seekers through a sector partnership are better able to align the needs of employers with the career paths of workers, and the results for employees are higher wages and better jobs. A 2009 random-assignment evaluation of three sector partnerships showed that worker participants earned significantly more (18 percent more, or \$4,500 over 24 months) than the control group. The reason was that they were more likely to work, worked more consistently, and worked in jobs with higher wages. They also had higher-

⁷ Cathryn, "BEST Benefits"; Industry Partnerships in Pennsylvania.

quality jobs, as measured by benefits such as health insurance, paid vacation, and paid sick leave.⁸

Such outcomes help explain why an estimated 1,000 regional sector partnerships are operating across the country, and more than 25 states are exploring or implementing sector strategies as a way to address industry needs through education and training programs.⁹ The Workforce Stakeholders Group urges Congress to ensure a comprehensive workforce system supports such best-practices to more effectively engage employers and industry.

Industry-Recognized Credentials and Certificates: The Workforce Stakeholders Group believes that stackable, nationally portable, industry-recognized competency-based skills credentials will help connect employers to the workers they seek. In addition, the group believes that the broad workforce system should be positioned to and held accountable for addressing the needs of:

- regional economies and key regional industries;
- employers in key regional industries who need to hire for middle-class jobs or for jobs in pathways to them; and
- employers who want to improve the quality of their jobs.

This will use public resources most effectively and do the most to make businesses competitive while bringing about the most financial stability and economic security.

Labor Market Information: In order to achieve the goals outlined in this statement, the broad workforce system will require quality real-time labor market information that will allow stakeholders to identify growing and/or high-demand occupations in regional labor markets, and key industries that are connected to such growing and high-demand occupations. Furthermore, in order to close the skills gap, information is needed to identify under-served populations and prepare them for regional employment opportunities.

Supportive Services: It is well known that people who lack stable housing, reliable transportation, access to health care, and child care are less likely to succeed in employment. Yet many people who turn to the workforce system for help face these and other barriers to employment.

Under current law, WIA funds may be used to provide supportive services to people who are participating in core, intensive, training or post-exit services; and are unable to obtain supportive services through other programs that provide such services. Unfortunately, the law creates barriers and disincentives to the provision of supportive services. The Workforce Stakeholders Group believes that Congress should acknowledge that the provision of supportive services is often an important key for many people who seek to find jobs and succeed in the workforce. Congress should ensure that the broad workforce system has the capacity to directly enroll job seekers in supportive services if they would benefit from them.

Governance and Infrastructure: The Workforce Stakeholders Group understands that it has been difficult to resolve a number of state and local governance and infrastructure issues. The

⁸ http://www.ppv.org/ppv/publications/assets/325_publication.pdf

⁹ <http://www.sectorstrategies.org/library/2010/snapshot-state-sector-activity>

group believes there is an appropriate role for both state and local decision makers, and therefore believes that authority should be shared between states and local areas. In addition, the group believes that steps should be made to ensure that decisions made take into account a number of key economic and social attributes, including areas' industries, workers, population demographics, and public and private resources. It is important to recognize, however, that workers live at a local level, businesses employ local workers, and the impact of long-term unemployment are realized in the local community. Therefore, local flexibility, including clear and significant roles for local elected officials and local workforce boards, must be retained to allow the system to adapt to the real needs of real employers and job seekers.

Conclusion

The reauthorization of WIA is an obvious immediate opportunity to make needed improvements that will ensure that our workforce is prepared for the jobs employers need them to perform today and tomorrow. The group believes that wholesale consolidation of key programs, as proposed in House legislation, H.R. 4297 (introduced during the 112th Congress), would move workforce programming in the wrong direction. Such a one-size-fits-all system risks becoming an underfunded system that lacks the resources and sophistication needed to meet the unique needs of certain individuals who must overcome population-specific employment challenges.

As our nation is only beginning to emerge from the worst recession since the Great Depression and ongoing global competition is a long-term certainty, the Workforce Stakeholders Group has grave concerns about proposals to dismantle the current workforce system. Such action would only serve to divert attention from providing quality employment services and job training to people who need job placement and supports. Instead, time, attention and resources would be spent on the implementation and rebuilding of a new workforce system. In other words, it is not necessary or cost effective to tear down the whole barn when it is just the roof that leaks.

As Congress begins again to look at the reauthorization of the Workforce Investment Act, policymakers should keep in mind that WIA programs have played a pivotal role in helping jobseekers and employers rebound from the "Great Recession." The latest quarterly reporting data provided by the Department of Labor indicates that more than 8 million jobseekers have utilized WIA formula programs over the past year (DOL, WIA system quarterly reports ending March 31, 2012), a dramatic 291 percent increase over just four years ago (DOL, WIA system quarterly report ending March 31, 2008). These most recent reporting data does not include an additional 786,000 job seekers using targeted WIA programming to help special populations with additional barriers to employment.

The Workforce Stakeholders Group continues to stand ready to work with policymakers to enact policies that will ensure that America's workforce is again the most skilled, the most competitive, the most productive, and the most adaptive workforce in the world.

About the Workforce Stakeholders Group

The Workforce Stakeholders group includes a range of organizations that are engaged in efforts to ensure that people served by the workforce system and programs that support the workforce system:

- Create a pipeline of qualified employees for business and employers;
- Find easy access to the services they need to help them find jobs;
- Have access to supports needed to advance in careers;
- Receive quality services that help them overcome unique challenges they face;

These organizations represent state and local policymakers and program administrators, advocacy groups, service providers, and technical assistance providers.

- Asian Pacific American Labor Alliance, AFL-CIO & APALA Education Fund
- Association of Farmworker Opportunity Programs
- Coalition of Labor Union Women
- Corporate Voices for Working Families
- Corporation for a Skilled Workforce
- Council for Adult and Experiential Learning (CAEL)
- Easter Seals
- Goodwill Industries International
- Insight Center for Community Economic Development
- International Economic Development Council
- Jobs for the Future
- Legal Momentum
- National Alliance for Partnerships in Equity
- National College Transition Network at World Education
- National Council of La Raza
- National Council for Workforce Education
- National Disability Rights Network
- National League of Cities
- National Skills Coalition
- National Transitional Jobs Network
- National Youth Employment Coalition
- National Workforce Association
- PHI – Quality Care through Quality Jobs
- Proliteracy
- Sargent Shriver National Center on Poverty Law
- Senior Service America
- The Corps Network
- United Way Worldwide
- Wider Opportunities for Women
- Workforce Learning Strategies
- Young Invincibles
- YouthBuild USA