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H.R. 4297, THE WORKFORCE INVESTMENT IMPROVEMENT ACT OF 2012

HEARING

BEFORE THE

COMMITTEE ON EDUCATION
AND THE WORKFORCE
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

HEARING HELD IN WASHINGTON, DC, APRIL 17, 2012

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H.R. 4297, THE WORKFORCE INVESTMENT IMPROVEMENT ACT OF 2012

Tuesday, April 17, 2012

U.S. House of Representatives

Committee on Education and the Workforce

Washington, DC

The committee met, pursuant to call, at 10:05 a.m., in Room 2175, Rayburn House Office Building, Hon. John Kline [chairman of the committee] presiding.

Present: Representatives Kline, Petri, McKeon, Biggert, Platts, Foxx, Goodlatte, Roe, Thompson, Walberg, DesJarlais, Hanna, Bucshon, Gowdy, Roby, Heck, Ross, Kelly, Miller, Scott, Woolsey, Hinojosa, McCarthy, Tierney, Kucinich, Holt, Davis, Loebsack, Altmire, and Fudge.

Also present: Representative Hurt.

Staff present: Katherine Bathgate, Deputy Press Secretary; James Bergeron, Director of Education and Human Services Policy; Casey Buboltz, Coalitions and Member Services Coordinator; Heather Couri, Deputy Director of Education and Human Services Policy; Cristin Datch, Professional Staff Member; Lindsay Fryer, Professional Staff Member; Barrett Karr, Staff Director; Rosemary Lahasky, Professional Staff Member; Brian Melnyk, Legislative Assistant; Krisann Pearce, General Counsel; Linda Stevens, Chief Clerk/Assistant to the General Counsel; Alissa Strawcutter, Deputy Clerk; Brad Thomas, Senior Education Policy Advisor; Aaron Albright, Minority Communications Director for Labor; Tylease Alli, Minority Clerk; Kelly Broughan, Minority Staff Assistant; Jody Calemine, Minority Staff Director; John D'Elia, Minority Staff Assistant; Ruth Friedman, Minority Director of Education Policy; Livia Lam, Minority Senior Labor Policy Advisor; Brian Levin, Minority New Media Press Assistant; Megan O'Reilly, Minority General Counsel; Julie Peller, Minority Deputy Staff Director; Laura Schifter, Minority Senior Education and Disability Advisor; and Michele Varnhagen, Minority Chief Policy Advisor/Labor Policy Director.

Chairman KLINE. A quorum being present, the committee will come to order. Today we will examine H.R. 4297, the Workforce Investment Improvement Act of 2012. The legislation will provide a more dynamic, effective, and accountable workforce development system.

I would like to thank our witnesses for being with us. I also want to extend my appreciation to Representatives Virginia Foxx, Buck McKeon, and Joe Heck for their continued leadership on this issue.

The committee has spent over a year examining the nation's workforce development system. We held four hearings and listened as more than a dozen witnesses described the successes and weaknesses in a system designed to provide job training and employment assistance for America's workers.

Through these hearings we have learned an expansive network of competing programs operated by numerous federal agencies is failing to meet the needs of our workforce. Despite an effort to establish a unified workforce development system 14 years ago, employers and State and local leaders still grapple with a bureaucracy that squanders taxpayer resources, stifles innovations, and stands in the way of the help and training workers need.

The problems within the current system are staggering. Each program has a separate set of rules, reporting requirements, and performance measures. Local leaders operating under 19 federal mandates that dictate who can serve on the workforce investment board. Even if it is in their best interest workers can be denied immediate access to job training assistance, and even though thousands of One Stop Career Centers are spread across the country, some services are located in places chosen during the 1970s that are inconvenient, if not completely inaccessible, for today's workers.

The systemic flaws help explain why 3.5 million jobs are unfilled despite the roughly 13 million Americans still searching for work. The Pittsburgh Post-Gazette recently issued a news report entitled, "Manufacturing Jobs Available but Skills Rare, Exec Says." Similar reports have appeared in places like Macon, Georgia; Erie, Pennsylvania; and Green Bay, Wisconsin. Workers are needed in fields from truck driving to software development to nursing, but employers face a serious lack of skilled applicants.

We are spending taxpayer dollars on red tape and bureaucracy instead of the skills and training workers need to succeed. During his State of the Union address President Obama recognized the need to "cut through the maze of confusing programs," and expressed his desire for one program for unemployed workers.

Yet still we see plans for more programs and hear calls to defend a fundamentally broken system. Simply doubling down on the status quo ignores the problems at hand and is a disservice to workers, employers, and taxpayers.

The recent slowdown in hiring reflected in this month's jobs report demonstrates how urgently we need to move in a new direction. The Workforce Investment Improvement Act of 2012 embodies the smart, responsible reforms that are critical in a modern job training system.

The bill consolidates 27 programs into one flexible Workforce Investment Fund. If a governor can present a responsible plan to consolidate additional job training programs he or she is welcome to do so. This will allow us to move closer toward the president's goal of one program and provide more efficient employment and training services to workers.

The legislation also rolls back unnecessary rules and strengthens the role of job creators in workforce training decisions. H.R. 4297

requires two-thirds of workforce investment board members be employers, helping ensure the skills and training offered to workers matches the needs of businesses. The bill grants States and local officials authority over filling the remaining slots on the board. If individuals from labor unions, community colleges, and youth organization offer the best voice to represent the local workforce they can have a seat at the table.

Furthermore, the Workforce Investment Improvement Act of 2012 ensures accountability without burying state and local officials in reams of paperwork. Under the bill States would be required to adopt a common set of performance measures to judge the success of all programs and the Department of Labor would be required to conduct an independent evaluation of its programs every 5 years. Workers will learn whether these programs are effective and taxpayers will know whether their money is being well spent.

There are other positive reforms in the legislation, such as providing dedicated funds to assist at-risk youth and individuals facing difficult barriers to employment. No doubt other issues will be raised throughout the hearing.

I expect we will also address a proposal introduced by my Democrat colleagues, one that offers their priorities for reauthorizing the Workforce Investment Act. Both sides recognize the challenges plaguing the current system and the need for improvement. Ultimately, we have a responsibility to advance reforms that will help Americans receive the skills and training they need to get back to work.

I look forward to a lively discussion, a lively debate, and will now recognize my distinguished colleague, George Miller, the senior Democratic member of the committee, for his opening remarks.

[The statement of Chairman Kline follows:]

Prepared Statement of Hon. John Kline, Chairman, Committee on Education and the Workforce

Today, we will examine H.R. 4297, the Workforce Investment Improvement Act of 2012. The legislation will provide a more dynamic, effective, and accountable workforce development system. I would like to thank our witnesses for being with us. I also want to extend my appreciation to Representatives Virginia Foxx, Buck McKeon, and Joe Heck for their continued leadership on this important issue.

The committee has spent over a year examining the nation's workforce development system. We held four hearings and listened as more than a dozen witnesses described the successes and weaknesses in a system designed to provide job training and employment assistance for America's workers.

Through these hearings, we have learned an expansive network of competing programs operated by numerous federal agencies is failing to meet the needs of our workforce. Despite an effort to establish a unified workforce development system 14 years ago, employers and state and local leaders still grapple with a bureaucracy that squanders taxpayer resources, stifles innovation, and stands in the way of the help and training workers need.

The problems within the current system are staggering. Each program has a separate set of rules, reporting requirements, and performance measures. Local leaders operate under 19 federal mandates that dictate who can serve on a workforce investment board. Even if it's in their best interest, workers can be denied immediate access to job training assistance. And even though thousands of One Stop Career Centers are spread across the country, some services are located in places chosen during the 1970s that are inconvenient—if not completely inaccessible for today's workers.

These systemic flaws help explain why 3.5 million jobs are unfilled, despite the roughly 13 million Americans still searching for work. The Pittsburgh Post-Gazette

recently issued a news report entitled, "Manufacturing jobs available but skills rare, exec says." Similar reports have appeared in places like Macon, Georgia; Erie, Pennsylvania; and Green Bay, Wisconsin. Workers are needed in fields from truck driving to software development to nursing, but employers face a serious lack of skilled applicants.

We are spending taxpayer dollars on red tape and bureaucracy, instead of the skills and training workers need to succeed. During his State of the Union address, President Obama recognized the need to "cut through the maze of confusing programs" and expressed his desire for one program for unemployed workers. Yet still we see plans for more programs and hear calls to defend a fundamentally broken system. Simply doubling down on the status quo ignores the problems at hand and is a disservice to workers, employers, and taxpayers.

The recent slowdown in hiring reflected in this month's jobs report demonstrates how urgently we need to move in a new direction. The Workforce Investment Improvement Act of 2012 embodies the smart, responsible reforms that are critical in a modern job training system. The bill consolidates 27 programs into one flexible Workforce Investment Fund. If a governor can present a responsible plan to consolidate additional job training programs, he or she is welcome to do so. This will allow us to move closer toward the president's goal of one program and provide more efficient employment and training services to workers.

The legislation also rolls back unnecessary rules and strengthens the role of job creators in workforce training decisions. H.R. 4297 requires two-thirds of workforce investment board members be employers, helping ensure the skills and training offered to workers matches the needs of businesses. The bill grants state and local officials authority over filling the remaining slots on the board. If individuals from labor unions, community colleges, and youth organizations offer the best voice to represent the local workforce, they can have a seat at the table.

Furthermore, the Workforce Investment Improvement Act of 2012 ensures accountability without burying state and local officials in reams of paperwork. Under the bill, states would be required to adopt a common set of performance measures to judge the success of all programs, and the Department of Labor would be required to conduct an independent evaluation of its programs every five years. Workers will learn whether these programs are effective and taxpayers will know whether their money is being well spent.

There are other positive reforms in the legislation, such as providing dedicated funds to assist at-risk youth and individuals facing difficult barriers to employment. No doubt other issues will be raised throughout the hearing. I expect we will also address a proposal introduced by my Democrat colleagues, one that offers their priorities for reauthorizing the Workforce Investment Act. Both sides recognize the challenges plaguing the current system and the need for improvement. Ultimately, we have a responsibility to advance reforms that will help Americans receive the skills and training they need to get back to work.

Mr. MILLER. Today the committee meets to examine a bill to reauthorize the Workforce Investment Act. This is no small matter. The need for robust federal investments in the nation's workforce is readily apparent. It is made apparent by the rise of local competition and it is made apparent by the deep impact that the last recession had on the employment opportunities for certain populations.

Those investments need to be smart investments. They need to be made efficiently and effectively, ensuring job training and employment services to get people—to—get to the people who need them. And those services need to reflect the existing and future labor market demands.

We need to demand greater accountability for those investments. We need to know whether or not we are working both for short-term reemployment needs and for long-term skills attainment and credentialing, and we need to support and foster innovation in the system, engaging partners and leveraging resources.

Importantly, there is a bipartisan consensus that the law in this area needs updating. How the Congress reauthorizes WIA is of

vital importance to working people, their families, businesses, and to our nation's economy. We must get it right.

And so as we examine the legislation before us there are a number of important questions to consider. First, does the bill focus sufficient resources toward individuals with the greatest barriers to employment? We must not turn our backs on those who are in the most need of help from the workforce investment system, including workers with low income, the nation's youth, individuals with disabilities, English language learners, veterans, and long-term unemployed. Equity in the system will grow and strengthen the middle class.

Second, does the bill contain strong accountability measures? Does it incentivize programs to improve the outcomes for individuals and businesses? Taxpayers must know that these programs are producing results. Workers and employers deserve to know, as well.

And those accountability measures cannot be subject to gaming. They must not discourage helping those who are the hardest to serve.

Third, does the bill seek to build on the successes to avoid replicating failures of the past? Successful innovation should be supported and new innovations must be encouraged. Inefficiencies must be wrung out of the system, and accurate and detailed data should be available to help people tell the differences.

Fourth, does the bill effectively leverage the expertise and commitment of all stakeholders? A successful workforce investment system must value the voices of employers and educators, service providers, and those who represent people in need of training.

Fifth, does the bill provide a vision for long-term skills attainment? A successful workforce investment system recognizes that mere job placement is not enough. People need careers. A system must provide even the lowest-skilled workers with pathways toward credentials and marketable skills beyond the first job they find.

Sixth, does the bill effectively gauge the demand from industry? A successful workplace investment system is demand-driven in both the short and long term and it must anticipate future needs and drive training toward where the demand is and will be. In other words, we should be investing in a real workforce development system, not a temporary staffing agency.

On many of these questions I have serious concerns about H.R. 4297. It seeks efficiencies by rolling numbers of programs into a single, comingled fund, but in doing so it allows limited resources to be diverted away from where they are needed the most. Youth—especially the disadvantaged—older workers, foreign workers, workers with disabilities, and displaced homemakers, English language learners, veterans, and low-income workers are among those who face the greatest barriers to profitable employment, and yet all of these populations face the greatest risk of losing access to services under the bill as drafted when funds intended to serve different populations are comingled into a secret—a single program.

The bill calls for innovation but it locks out key partners in developing that innovation, leaving the system with one hand tied be-

hind its back, and in that sense it fails to build on what we have learned over the years.

While the bill takes steps in the right direction I have fundamental—I have trouble with the fundamental flaws that I have outlined here that need to be fixed and I cannot support the bill in its current form. The Democrats understand and support the modernizing of WIC to serve—of WIA to serve clients more effectively and efficiently. Last month Congressman Tierney, Hinojosa, and I introduced a bill to reauthorize WIA with those needed reforms, and I hope our bill can be as much a part of today's discussion as the Republican bill. And I hope that today's hearing can help foster further discussion about these different approaches and work together toward a bipartisan WIA reauthorization.

Before we close I would like to recognize the leaders from the local Goodwill agencies from Oakland, Los Angeles, Boston, Michigan, and San Francisco who are joining us in the audience today. Those agencies are examples of how federal investments can leverage additional resources and expertise to help get people back to work and onto career paths.

Welcome to this hearing.

And I welcome our distinguished panel of witnesses and I look forward to your testimony and the ability to ask you questions when you are done.

Thank you.

[The statement of Mr. Miller follows:]

Prepared Statement of Hon. George Miller, Senior Democratic Member, Committee on Education and the Workforce

Today, the committee meets to examine a bill to reauthorize the Workforce Investment Act. This is no small matter. The need for robust federal investments in the nation's workforce is readily apparent. It's made apparent by the rise of global competition. And it's made apparent by the deep impact the last recession has had on employment opportunities for certain populations.

Those investments need to be smart investments. They need to be made efficiently and effectively, ensuring job training and employment services get to people who need them. And those services need to reflect existing and future labor market demands.

We need to demand greater accountability for those investments. We need to know whether they are working both for short-term reemployment needs and for long-term skills attainment and credentialing. And we need to support and foster innovation in the system, engaging partners and leveraging resources.

Importantly, there is a bipartisan consensus that the law in this area needs updating. How the Congress reauthorizes WIA is of vital importance to working people, their families, businesses, and the national economy. We must get it right.

And so, as we examine the legislation before us, there are a number of important questions to consider.

First, does the bill focus sufficient resources toward individuals with the greatest barriers to employment? We must not turn our backs on those who may need the most help from a workforce investment system, including workers with low incomes, the nation's youth, individuals with disabilities, English language learners, veterans, and the long-term unemployed.

Equity in the system will grow and strengthen the middle class.

Second, does the bill contain strong accountability measures? Does it incentivize programs to improve outcomes for individuals and businesses? Taxpayers must know that these programs are producing results. Workers and employers deserve to know as well. And those accountability measures cannot be subject to gaming. They must not discourage helping those who are hardest to serve.

Third, does the bill seek to build on successes and avoid replicating failures from the past? Successful innovations should be supported, and new innovations should be encouraged. Inefficiencies must be wrung out of the system, and accurate, detailed data should be available to help people tell the difference.

Fourth, does the bill effectively leverage the expertise and commitment of all stakeholders? For example, community colleges have often played forward-thinking roles in job training programs. A successful workforce investment system must value the voices of service providers and those who represent people in need of training.

Fifth, does the bill provide a vision for long-term skills attainment? A successful workforce investment system recognizes that mere job placement is not enough. People need careers. The system must provide even the lowest skilled workers with pathways toward credentials and marketable skills beyond the first job they find.

Sixth, does the bill effectively gauge demand from industry? A successful workforce investment system is demand-driven in both the short and long term. And, it must anticipate future needs and drive training toward where demand is and will be. In other words, we should be investing in real workforce development, not a temporary staffing agency.

On many of these questions, I have serious concerns about this bill.

It seeks efficiencies by rolling a number of programs into a single, co-mingled fund. But in doing so, it allows limited resources to be diverted away from where they are needed most.

Youth, especially the disadvantaged, older workers, farm workers, workers with disabilities, displaced homemakers, English language learners, veterans, and low-income workers are among those who face the greatest barriers to profitable employment. And yet all of these populations face the greatest risk of losing access to services under the bill as drafted.

The bill provides for a stronger accountability system. However, I question whether the system works when funds intended to serve different populations are comingled into a single program.

The bill calls for innovation, but it locks out key partners in developing that innovation, leaving the system with one hand tied behind its back. And, in that sense, it fails to build on what we have learned over the years.

I am also concerned that the bill does not sufficiently recognize the critical role that federal workforce investments play in meeting longer-term economic needs. Long-term planning to meet future industry demand will allow workers to be given careers, not just jobs.

While the bill takes steps in the right direction, these fundamental flaws need to be fixed. I cannot support it in its current form.

Democrats understand the need to modernize WIA to serve its clients more effectively and efficiently. For example, we believe WIA must streamline access and better align its programs. We need to demand real accountability, not subject to gaming, so everyone knows what works and what doesn't. We need to strengthen, not water down or eliminate, WIA's capacity to help those with the greatest barriers to employment.

And, we must promote innovation that fully engages partners and existing infrastructures like the community college system, so local areas can respond more effectively to economic challenges and meet future industry needs.

Last month, Congressmen Tierney, Hinojosa, and I introduced a bill to reauthorize WIA with these needed reforms. And I hope our bill can be as much a part of today's discussions as the Republican bill. And I hope that today's hearing can help foster further discussions about these different approaches and help us work together toward a bipartisan WIA reauthorization.

Before I close, I would like to recognize leaders from local Goodwill agencies from Oakland, Los Angeles, Boston, Michigan, and San Francisco who are joining us in the audience today.

Those agencies are an example of how federal investments can leverage additional resources and expertise to help to get people back to work and onto career paths.

Welcome!

And I welcome our distinguished panel of witnesses.

I look forward to your testimony on how Congress can modernize the Workforce Investment Act for the benefit of all and move the economy forward.

Chairman KLINE. I thank the gentleman.

Let me welcome to the committee our distinguished colleague from Virginia, Congressman Hurt. Without objection, Congressman Hurt will be permitted to participate in our hearing today, and I hear no objection.

Pursuant to committee rule 7(c) all committee members will be permitted to submit written statements to be included in the permanent hearing record, and without objection, the hearing record will remain open for 14 days to allow statements, questions for the record, and other extraneous material referenced during the hearing to be submitted in the official hearing record.

It is now my pleasure to introduce our distinguished panel of witnesses. First, Ms. Norma Noble is the current deputy secretary of commerce for workforce development for the State of Oklahoma, under Governor Mary Fallin, our former colleague. Prior to her appointment in 2003, Ms. Noble served as administrative coordinator for Oklahoma City's human resources department and center manager of Oklahoma County's Career Connection Center.

Welcome.

Ms. Laurie Moran is the president of the Danville Pittsylvania County Chamber of Commerce in Blairs, Virginia, a position she has held since January 2002. Ms. Moran is also the chair of the National Association of Workforce Boards and has served on the board of directors of NAWB for the past 8 years.

Mr. Andy Van Kleunen is the executive director of the National Skills Coalition, which he founded in 1998 as the Workforce Alliance. Prior to founding the coalition, Mr. Van Kleunen was director of workforce policy for the National Paraprofessional Healthcare Institute.

Welcome.

And Ms. Sandy Harmsen is the executive director of the San Bernardino County Workforce Investment Board and director of the county's Workforce Development Department in San Bernardino, California. Ms. Harmsen also serves as the executive director for the San Bernardino County Workforce Investment Boards, which includes private business representatives and public sector partners appointed by the county board of supervisors.

Before I recognize each of you to provide your testimony let me once again briefly explain our lighting system. You will each have 5 minutes to present your testimony. When you begin the light in front of you will turn green; when 1 minute is left the light will turn yellow; and when your time is expired the light will turn red, at which point I ask that you would wrap up your remarks as best as you are able.

After everyone has testified the members will have 5 minutes to ask questions of the panel. And as always, I will provide more latitude to the witnesses than to my colleagues.

With that, let's get underway.

Ms. Noble, you are recognized for 5 minutes.

STATEMENT OF NORMA NOBLE, DEPUTY SECRETARY OF COMMERCE FOR WORKFORCE DEVELOPMENT, WORKFORCE SOLUTIONS

Ms. NOBLE. Good morning. Chairman Kline, and Ranking Member Miller, and members of the committee, I am Norma Noble and it is my honor to testify on behalf of the Governor's Council for Workforce and Economic Development. I have the privilege of serving as the deputy secretary of commerce for workforce development in the great State of Oklahoma.

The Workforce Investment Act is, at its very core, about jobs. It equips States to attract, retain, and create jobs by serving three primary customers: workers, businesses, and the governments that serve them. In short, your action is necessary to better anticipate and meet the needs of businesses, to better educate and train workers, and to empower State and regional leaders to be cost-effective, innovative, problem-solving.

It has been more than a decade since Congress passed the Workforce Investment Act. Today, new challenges confront our nation and our economic position in the world. We need bold reforms in WIA if our—we are going to equip American workers with the skills necessary to remain competitive.

Workforce development is the biggest issue impeding expansion and growth of employers today. In responding to the needs of both employers and workers we must have flexibility at the state and local levels to best provide services to our unemployed and underemployed Americans, getting them back to work quickly.

It is my belief that H.R. 4297 takes a good step in that direction. In order to better understand the needs of Oklahoma's employers, Governor Mary Fallin led a State leadership team in conducting a business climate survey. We surveyed almost 5,400 employees and the results were very positive: 61 percent of the businesses are adding new products; 51 percent are upgrading or expanding; 28 percent are adding new locations; 75 to 85 percent of the industries are optimistic about their future in Oklahoma; 75 to 85 percent ranked our postsecondary services as excellent or good.

Yet, in spite of that and in spite of leading in America's childhood—early childhood education and higher than average high school graduation and 70,000 career ready certificates, 61 percent of the businesses in our State rank the availability of the workforce as fair or poor. We need game changing.

In response to the governor's call for game changing, the Governor's Council and its partner agencies is implementing www.OKJobMatch.com, and this is to provide an online, one-stop information and access to workforce programs and services across agency and program lines—access for job seekers and employers. Employers' needs, however, cannot be simply met by improving job matching or labor exchange. Workers need better skills and better career pathways to get to those skills.

Specifically, workforce development needs to be centered on increasing an attainment of both degrees and industry-validated credentials. We are in a new economy—one in which companies and whole industries are being forced to continually adapt to rapidly accelerating changes. And workforce systems need to be flexible enough to meet and operate at that same rate of speed.

Some of the key principles that are needed: simplify things. I agree with the core assumption in H.R. 4297 that we don't need to operate through dozens of separate programs, each with its own reporting and management rules. And it also makes sense to organize services and workforce boards at the regional labor market level.

We need State and local control, integrating workforce development and educational opportunities through a governor-led, State, regional framework that offers the greatest potential for economic

expansion. Business-led is a key. H.R. 4297 provides governors the authority and flexibility to design such a delivery system that reflects the economy of our State and the neighboring communities within the State that are unique for their workforce and their industries.

Require unified planning. H.R. 4297 begins the process by allowing states to take this important step. I would encourage the proposal to go further. If consolidation is not being implemented I urge you to require unified planning. It is too hard for classroom teachers, social workers, job developers, rehabilitation staff to bridge their daily activities to employer and industry-recognized skills if that is not integrated into their expectations and performance systems.

Manage for results, not process. Workforce development is overregulated in—on the process side—lots of monitoring and compliance. It underemphasizes performance.

Be clear about your expected results, but also give us increased flexibility about how to retain those results, and of course, the funds necessary to do so.

Integrate adult education and—fully with workforce improvement. We need to help the one-third of our workforce that have low basic skills. We need to go well beyond just literacy and GED attainment; we need to help people obtain degrees, credentials, and certificates.

Restore flexible funds at the State level. Providing States with only 5 percent of WIA funds barely covers the cost of the required program management. Our employers are driving across our State—and some flying—so that they can meet on committees for innovation, service delivery, career pathways, and policies. We won't be able to implement that if we don't have statewide funds.

I end by saying if we are not going to take workforce development serious in our country we are losing—we are shortchanging our citizens. We have to have everybody at the table. And workforce development is the only federal system that provides a mechanism where employers, workforce-related agencies, and community partners are there at the table designing a system.

To get it right—if we don't get it right we won't be able to recognize or obtain Thomas Jefferson's dream. After all that he accomplished—president, statesman, writer of the Declaration of Independence and Constitution—at the end of his life he said, "I look to the diffusion of light and education as the resource most to be relied on for ameliorating our condition, promoting our virtues, and advancing the happiness of man."

Thank you so much.

[The statement of Ms. Noble follows:]

Prepared Statement of Norma Noble, on Behalf of the Governor's Council for Workforce and Economic Development

CHAIRMAN KLINE, RANKING MEMBER MILLER, AND MEMBERS OF THE COMMITTEE: I am Norma Noble and it is my honor to testify on behalf the Governor's Council for Workforce and Economic Development. I have the privilege of serving as the Deputy Secretary of Commerce for Workforce Development in the great state of Oklahoma. While this is my current position, I want to share that I previously worked as Director of Operation and Director of a local Workforce Investment Board/Private Industry Council in central Oklahoma.

The Workforce Investment Act is, at its very core, about jobs. It equips states to attract, retain, and create jobs by serving three primary customers: workers, businesses, and the governments that serve them. The nation's workforce system as it currently exists requires real change on these same three fronts. In short, your action is necessary to help better educate and train workers, to anticipate and meet the needs of businesses, and to empower state and regional leaders to be cost-effective, innovative, problem solvers. It has been more than a decade since Congress passed the Workforce Investment Act. Today, new challenges confront our nation and our economic position in the world. Without bold reforms to WIA, such as program and funding consolidation, our workforce system will fall further and further behind in our ability to equip American workers with the skills necessary to remain competitive in the global economy.

Workers

Today's modern economy dictates a shift in the way states approach the primary component of any workforce development system; the worker. States must have the flexibility to implement programs that both serve the individual and meet the demands of emerging markets. In short, we must be able to match the training and education needs of workers with the jobs that actually exist on the ground.

Our jobs picture has changed from a pyramid to an hourglass.

- High Skill Jobs—35% (was 25%)
- Middle Income Jobs—27% (was 35%) But—much of this middle skilled work will be done by outsourcing and a contingent workforce)
- Low Skill, Low Wage Jobs 38% (was 40%)
- 82% of manufacturers report a moderate-to-serious skills gap in skilled production.
- 74% of manufacturers report that this skills gap has negatively impacted their company's ability to expand operations.
- 69% of manufacturers expect the skills shortage in skilled production to worsen in the next 3-5 years.

Integrating workforce development and educational opportunities through a governor-led state-regional framework offers the greatest potential for economic expansion and industry competitiveness, while providing job growth, stability and career advancement opportunities for workers. H. R. 4297 is establishing this framework. It provides governors the authority and flexibility to design a delivery system that reflects the economy of the state and neighboring communities including the unique dynamics of industries and the workforce.

Our nation cannot afford to separate education and workforce development as they are truly one in the same. States have taken the lead in developing industry partnerships to educate and train workers critical skills in key sectors like energy, healthcare, and manufacturing.

Congress should support these strong state-led public-private endeavors by providing governors the authority and funds to cultivate these partnerships and engage industry in the delivery and formation of worker education and training. Governors need the discretion to identify targeted industries and the flexibility to expend workforce, education, and economic development assets and resources accordingly, and have done so effectively through the use of statewide discretionary funds.

How do you measure success? The numbers trained or even served look miniscule when compared with the numbers to be served. And because regions within states are as different as states are from each other, impact on populations is difficult to obtain in persuasive longitudinal numbers. I want to be clear; workforce investment is about jobs and job creation. Job creation and growth is about talent development. An ongoing system of learning that results in both degrees and credentials is central to success of both the workforce and employers as we move forward.

Business

I commend the Committee's proposal to consolidate and streamline the delivery and funding of state workforce development programs. Today, the number of workforce programs provides an inefficient framework that is simply too complex for workers and businesses to rely upon.

Businesses are key to any successful state-based workforce development model; that is, just as we must ensure that education and training opportunities are tailored to make all workers employable, in Oklahoma, we are working hard to also ensure that we are serving our businesses. A business-driven approach to workforce development is appropriate and helps guarantee that public workforce dollars are spent efficiently and the ultimate goal, putting people back to work, is attainable.

Chesapeake Energy, based in Oklahoma City and a global leader in energy production, has implemented a revolutionary internship and apprenticeship program.

The program equips interns and future employees with the tools, guidance, mentorship, and education they need to be prosperous employees. Chesapeake's program is unique. I have no doubt that this success is a direct product of the company's ability to see the training process from the very beginning all the way through full employment. This company is ensuring that its workers are prepared to thrive in accordance with the demands of this 21st century energy economy. It uses all of the resources available to it including staffing services. Those of us that serve the public workforce development system should take heed. This is a prime example of the success that can be had when workers, business, and state government are empowered with the tools to succeed.

In Georgetown's recent study for the Southern Growth Policy Board, the pressing enigma/conundrum of Oklahoma and similar states is discussed. A majority of workers in our workforce are unskilled. A majority of the jobs in the labor market are unskilled. The need for skilled workers in 2020 will be 57% post-secondary skilled workers. Post-secondary graduates today don't see those jobs now so they leave the state. Companies who are looking to locate in Oklahoma don't see a surplus of post-secondary trained workers now so they are hesitant to come. Hence, we proclaim the need for college graduates infuriating the employers who are looking for skilled/credentialed workers. A unified plan for all workforce/education would show a consolidated assault on the problem.

In my home state of Oklahoma, we've seen this business-driven approach succeed.

Specific Oklahoma examples of collaboration creating systemic change, is the way partners are currently working on state policy around the issue of career pathways. The intent is to ensure that every agency has consistent policy to support this effort. This included the education agencies, workforce agencies and social service agencies. This is a true systemic approach that will have lasting effect for the entire state. This type of work must be done at the state level.

Likewise, partners are and have been acquiescing around the use of the Career Readiness Certificate as a base credential. They are all using it in their own agencies and programs—creating a state system of assessment and credentialing that employers are recognizing more and more.

In addition, we have seen the ability to better engage employers when it is done by industry sector. We have had excellent results with industry sector gap analysis in heath care and aerospace. As a result, many of our regional areas have also had great success with creating strategic plans and conducting business services around industry sectors.

Most recently, the Governor's Council for Workforce and Economic Development is working on a comprehensive Workforce Portal that includes an enhanced job matching feature. The Governor has endorsed this effort and the partners are working jointly to get it implemented. A joint application design team, representing all of the agencies plus local boards, worked on the format and implementation strategy and it is now being implemented as www.OKJobMatch.com.

Developing this deep level of partnership at the state and local level would not have been possible without a strong business led state board, and flexible funding through the statewide activities funds.

Good Government and Governance

Effective workforce development programs require state and local governments to have the flexibility to provide needed services. Oklahoma embodies this reality. As a state with disparate economic conditions driven by geography, we need the ability to implement regional solutions for regional problems. Today, we do not have that flexibility.

For example, western Oklahoma has experienced extraordinary growth as a result of an abundance of energy resources both renewable and fossil fuel. As a result, the regional unemployment rate is roughly three percent. In southeast Oklahoma, however, poverty is prevalent and unemployment ranges 9 to 12 percent. Fortunately, the Oklahoma Department of Commerce recognizes these differences. Unfortunately, the federal law does not.

A "one size fits all" or "cookie cutter" approach to funding, state board composition, planning areas, and the like are simply untenable. States need more flexibility, not less. In Oklahoma, we heavily relied upon the governor's set-aside to support successful innovation. In fact, many of today's best ideas were germinated through governors' WIA set-aside funds, such as state sector strategies, green jobs programs, and innovations in public-private partnership. The set-aside funds are the only federal funding available at the state level under WIA and comprise the most flexible funding under the statute. Matching funds from other state sources and from the private sector enhance the impact of the set-aside funds and strengthen the ownership and involvement of businesses, industries, and communities in the state work-

force development system. Like many of my colleagues across the country, I am deeply concerned about the reduction in the governors' set-aside for statewide activities. This could have a chilling impact on workforce innovations and most importantly, at a time of continuing economic hardship, the reduction in the governors' set-aside for statewide activities will make it more difficult for Americans to get back to work.

Skills the Energy Industry wishes were taught:

• New technical graduates:

Organization skills, platform skills, team management, time management, leadership

• New non-tech graduates:

Math aptitude, finance and economics, leadership, collaboration and conflict management. Simple to fix? Maybe, but it requires industry, education, a convening WIB, and partners to do so.

Flexibility at the state and local level is needed to best provide services to unemployed and underemployed workers and others in the talent pipeline. We must help them get back to work quickly and fill the workforce needs of industries that are in demand in our state. This is a K-20 connection to industry and economic development. It is our belief that HR 4297 takes a good step in that direction.

Conclusion

Workforce development is complex. The driving question for those of us who work in the workforce development arena everyday must always be, "what does it take to get everyone employable and a good paying job?" In the same vein, we also hear the very real concerns of business, which asks "why does it take so long for the pieces to come together and for us to find talent?" Oklahoma has seen success in the state's private sector, and the nationwide public workforce development system should take note.

In closing, the Workforce Investment Act, at its core, is about jobs. If there was ever a time for a "must pass" piece of legislation, now would be that time to fix America's workforce system and get America back to work. The Workforce Investment Improvement Act like its predecessor is in fact the only federal legislation that provides a formal mechanism to put all of the players at the table: employers, workforce-related agencies, community partners and citizen representatives to design a talent development system for its state and regions.

If we don't get it right, we cannot realize Thomas Jefferson's dream. Mr. Jefferson had been through the Revolutionary War, the framing of the Declaration of Independence and the United States Constitution, served as President of the United States and Ambassador to other nations. But, at the end of his life, he said, "I look to the diffusion of light and education as the resource most to be relied on for ameliorating the condition, promoting the virtue and advancing the happiness of man". (1822)

The Need for Funding Statewide Activities

We have hard questions: What is ready to work? How can employer credentials pair with education, common core, STEM requirements and new legislation for workforce agencies? How can we achieve the American Dream: A Job! 5% unemployed in Oklahoma is really 15%. Fourteen percent unemployment for Veterans is really 25% and if you are between 18-25 it is as high as 50%. How can we restore HOPE to these Americans that they will get a job to our businesses that we can supply them with quality workers.

In Oklahoma we have used statewide funding to provide planning tools (i.e., EMSI) and consultants for local areas, Industry Sector Reports, evaluations, regional planning, Certified Work Ready Communities, Regional Industry Sector Partnerships, support Career Pathway pilots, establish Business Service teams, incent OJT and internships, enhance infrastructure, statewide licenses for WorkKeys and KeyTrain to increase baseline credentialing for Oklahomans. Other states have carried out similar projects that make their citizens more employable and their economies more viable.

Without statewide funding the potential is to have duplicative infrastructures in each WIB area. Local WIB representation is at both our State Council and our inter-agency staff team. We have a shared outcome system. The attached Strategic Plan of the Governor's Council for Workforce and Economic Development further illustrates this structure and shared-outcome system.

We have some of the partnerships but we also have barriers. We ask that you remove the legislative barriers to innovation, efficient service delivery, employer validated credentials and career pathways. H. R. 4297 is great step toward achieving this end.

GOVERNOR'S COUNCIL FOR WORKFORCE AND ECONOMIC DEVELOPMENT STRATEGIC PLAN

The Governor's Council for Workforce and Economic Development has developed a strategic plan. As you can see WIA is not the only work of the Council. We are working to develop systemic policies that bridge economic development, education and workforce programs/services.

The Council's plan is the result of employer focus groups, Game Changer committee work and other stakeholder group participation.

Overarching Issue: Workforce/Talent Development is complex and convoluted. There are many players with sometimes competing agendas. But, at the end of the day, we need talent that meets Oklahoma employer skill/credential needs now and into the future.

Overarching Theme/Vision:

1. Oklahoma employers can expect that graduates of Oklahoma education/training programs have the skills and credentials they need and are work ready.
2. Oklahoma will be able to supply the workforce needs of current and future Oklahoma employers.

Goals:

1. Improve the outcome of Oklahoma skill development systems through the use of on-line tools and data bases that will improve efficiency and measure effectiveness.
2. Increase credentials, certificates and skills by deepening the public/private partnerships that will improve the match between employer-demanded skills and the skills of job applicants through the use of Career Pathways and Career Readiness Certificates.

Strategies for Achieving these Goals:

1. Develop common outcomes: Joint planning/development of a business plan that includes outcomes and metrics that all partners play a part in meeting—for the good of the state of Oklahoma's business retention, expansion and attraction efforts:

Examples:

a. What is Work Ready? Common definition and metric

b. More direct & systemic involvement by employers in P-20- Adult/education and training issues and in establishing desired outcomes.

c. % increase in employer validated credentials and degrees obtained

2. Implement/expand on-line/virtual systems and processes: In order to provide efficient and effective service delivery, and to link and leverage various programs, we MUST have common virtual tools and a linked longitudinal data system. This includes a portal that will provide a single access to talent and services available to employers and a "data base" or some process that will more readily provide information, including real time information, on talent supply and demand.
3. Develop and implement career pathways: Career Pathways is an organizing process that can link employer validated credential and degree needs to the education and training supply chain. This would involve public/private regional partnerships between employers and service providers. This will ensure that the workforce pipeline will support business retention and attraction.
4. Re-invent workforce investment boards and one-stop career centers: Defining their role, enhancing their efforts to engage employers by sector within regions. Involving all system partners and creating WIN-WIN and value added regional planning and service delivery system. Workforce boards include a majority of employer members. If properly constituted and functioning, these employers can provide a great foundation for regional partnerships. Certified one-stops will ensure that a standard of service exist and partners are connected within a region in order to provide coordinated service delivery.

Action steps being taken/Recommended through Committees:

Data/Portal Committee:

1. Fully implement OKJobMatch.com. Replace the current Job Link system with OK Job Match in order for OK Job Match to become the new state labor exchange system.

Current Status

a. Job seeker portal fully up and operational. Resume numbers are increasing. Currently, total accounts are at 5,000. Thanks to all partners for promoting this, and using the posters, business cards and other education and outreach materials.

i. OESC and ODOC staff are working with the vendor to convert and use Job Match in place of Job Link and open up the employer module.

b. Test version available to OESC/ODOC by May 1, 2012

c. INITIAL TEST: Small pilot group (5-10 companies/employers+OESC+ODOC) performs initial testing for 7-10 days

d. RE-DEVELOPMENT: Vendor makes changes pursuant to test (2-5 days)

e. BETA-TEST: Small pilot group (same as above) retests the system for 7-10 days

f. FINAL DEVELOPMENT: Vendor makes changes pursuant to beta-test

g. MODULE DEPLOYMENT: Mid-Late May 2012; Focus will be on self-service employers; Employers can tap OK talent pool; Added ability to search for those with military experience

Contingency:

h. Legislation signed that allows OESC Data to be shared with a private entity.

i. Talent pool (job seeker resumes) is closer to a critical mass recommended at 30,000 (this will occur when current Job Link resumes are quality checked and included in OKJobMatch.com system.)

j. As needed, a "stand alone" version of the employer portal may be implemented for the Veterans connection project. (Assisting returning veterans and connecting them to jobs.)

2. Establish a state workforce portal. This portal will ultimately provide on-line one-stop information and access to workforce programs and services across agencies and program lines. This will incorporate the current OKCareerPlanner.com site. It will also include the menu of Workforce employer services requested by employers in the employer focus group/survey report "Building Blocks for an Employer-Responsive Workforce System".

Current Status

a. OKWorks.org (www.okworks.org). Has been established as the state workforce portal. While it is now live—it is just the beginning and will be continuously improved. It will take users to OKJobMatch.com for job search help.

b. OKMilitaryConnection.com (www.okmilitaryconnection.com) has been established to provide military specific information and services to our returning military personnel. OKMilitaryConnection.com will take people to OKJobMatch.com for job matching.

3. Develop plan and cost estimates for an enterprise system.* This would include connecting to the P-20 data system. (This is probably a 2 year+ process. The expectation for 2012 is to develop the plan, including cost estimates and develop the needed agency agreements.)

Current Status

a. A $6 million DOL grant proposal for a longitudinal data system has been submitted that would include most of these efforts. Also, a $1 million DOL grant proposal for a Workforce Innovation fund grant has also been submitted. It would help support some of this effort as well.

Career Pathways Committee:

1. A statewide framework for career pathways is adopted.

2. Career pathways are formally integrated into the K-20 education system.

3. Effective career pathways practices are part of every student's education, beginning with career awareness and career exploration in K-8. Before a student enters the 9th grade, all students and their parents/guardians in every school receive career counseling assistance that leads to a meaningful individual career and education plan, including requirements needed for post-secondary education.

4. Trained career navigators are available in every partner agency to help clients, dislocated workers, and other adults seeking workforce assistance make training and education decisions based on a career pathway model.

5. An effective messaging plan is in place to help create awareness and buy-in.

6. All regions are working on at least one career pathway,

7. In workforce-related state agencies, including all levels of education, policies that support the integration of career pathways are in place and are reviewed on a regular basis.

8. Provide technical assistance and support to regions in their career pathways efforts (i.e., tool kits, process guides, best practices, etc.)

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*Enterprise system = an on-line integrated program information system. It would connect workforce data with education data for better decision making, provide a common data pool and more efficiently deliver on-line services via use of KIOSK. It would provide clients a tool to help them determine what programs/services they might be eligible for and how and where to apply.

9. The National Association of Manufacturing (NAM) Skills Certification System is the basis for all manufacturing career pathway initiatives, including the National Career Readiness Certificate (NCRC).

10. Pilot the manufacturing pathways initiative in one or more regions.

Communications Committee:

1. Develop and distribute talking points through the State Chamber to encourage employers to contact legislators regarding funding for Career Readiness Certificates (WorkKeys) and KeyTrain.

Key Messages to Stress:

a. CRC is about job creation;

b. CRC demonstrates ROI for employers in terms of retention, reduced training/re-training, and finding, hiring, and promoting qualified employees;

c. Job seekers receive a credential now endorsed nationally by the National Association of Manufacturers, National Institute of Metalworking Skills, the Manufacturing Institute, and by local employers and education/training providers; the CRC is a foundational credential for manufacturing and aerospace programs and required for employment in these sectors.

d. CRC is being used as an alternative to End of Instruction tests; Shawnee example (small school district) 15 students, who would have failed to receive a high school degree, have a diploma and a CRC because of the use of KeyTrain and WorkKeys at their school.

2. Talking points will be used as a blog entry discussing the importance of the CRC for SHRM (Society for Human Resources Management).

3. Prepare an information packet for the SHRM-sponsored Ready to Work Conference, stressing how the CRC can help employers improve retention and find qualified employees.

4. Update the Communications Plan with a new focus on use of social media, blogs and other current communications strategies.

5. The updated plan will be a living document that will guide the communications activities, products and deliverables.

Workforce Systems Oversight Committee:

1. Re-certify Workforce Investment Boards based on revised policy

2. Initiate a one-stop evaluation process including survey and on-site visits to help inform certification, continuous improvement and one-stop certification processes.

3. Initiate a one-stop certification process. One-stop certification intended to be a joint effort of all partners, to provide one-stop standards for consistency, and to help provide stakeholder buy-in, and create service delivery efficiency.

4. Identify and conduct service delivery efficiency pilot projects—to see what works.

5. Continue to research and identify operational and organizational strategies that will help make Workforce Boards stronger and service delivery better (in conjunction with Data/Portal committee work).

6. Revise the State Plan that is due this year to the Department of Labor using the Council's plan of work as a guide.

7. Work with regional areas to develop regional planning documents—in conjunction with regional partners.

Chairman KLINE. Thank you.

Ms. Moran, you are recognized.

STATEMENT OF LAURIE MORAN, PRESIDENT, DANVILLE PITTSYLVANIA COUNTY CHAMBER OF COMMERCE

Ms. MORAN. Chairman Kline, Ranking Member Miller, and members of the committee, I am Laurie Moran. I am president of the Danville Pittsylvania County Chamber of Commerce, which is located in Virginia on the North Carolina border, and I am the chair of the National Association of Workforce Boards.

I want to applaud members of the committee from both sides of the aisle for introducing Workforce Investment Act, WIA, reauthorization bills this year. I would like to strongly encourage WIA reauthorization to become a bipartisan process moving forward as sup-

plying the needs of short-term and long-term unemployment and employment of our nation should be the shared goal of all of us in business, workforce, and for members of Congress.

It has been 15 years since WIA was enacted. The original legislation was designed in a very different time, when our nation had low unemployment and employers were starving for workers at all levels in our workforce. Our nation's core workforce legislation needs to be upgraded to ensure that employers have the opportunity to find and hire skilled workers and that job seekers have a chance to regain employment in a difficult market.

As chamber president I represent a predominantly rural region whose economy was built on tobacco and textiles, which created significant challenges when both sectors simultaneously fell into decline. Our chamber has been actively engaged in workforce development for the past decade, working closely with our workforce investment board to develop strategies—strategies that are employer-driven with training dollars allocated for in-demand occupations.

For the past 2 years our chamber has subcontracted with our one-stop operator to provide business services by connecting employers to employees, saving our employers time and reducing their cost. Our partnership is making a difference in our community.

I am also chair of the National Association of Workforce Boards, NAWB, which is comprised of business-led workforce investment boards from around the nation. During my tenure as board chair of NAWB we have actively reached out to over 100 local chambers of commerce from across the country, representing over 70,000 employers who employ nearly 5 million workers. These chambers have indicated that workforce development is a top concern for their businesses.

Today the workforce system faces competing challenges. Employers are desperately seeking to fill 3.5 million skilled jobs that are currently vacant while millions of Americans are unemployed or underemployed due to the recession's lingering effects and due to job seekers lacking employable skills. We believe that a reauthorized WIA bill this year will help both job seekers and employers.

The committee has a copy of NAWB's priorities for WIA reauthorization, so today I want to highlight a few of the guiding principles which we hope will be included in any legislation that is enacted.

First, we believe that the workforce development system should continue to be governed by effective, business-led workforce investment boards that make data-driven decisions. Business-led boards are in the best position to understand the dynamics of local economies and labor markets.

Second, we believe that local boards should determine how much of their WIA funding is devoted to training based on their local labor market needs. The focus should be on outcomes rather than on a mandated method to achieve our outcomes. Local boards are best positioned to help get people back to work and allocate resources based on those local needs.

We also believe that additional funds leveraged for training from other resources, such as Pell Grants, philanthropy, or private sector investments, should be reflected in WIA reporting to provide a

fuller sense of the amount of training being provided through the workforce system.

Finally, whether it is the efforts to return the long-term unemployed back to work or training that leads to the startup of businesses, the successes that we celebrate across this great nation are all important and many are specific to their local communities. Previous WIA legislation was crafted to maintain the delicate balance between States and local areas. As the committee moves forward we believe that it is imperative that there be a collaborative process between the States and local areas for both automatic designation of WIBs and single State designation.

On behalf of NAWB and on behalf of the Danville Pittsylvania County Chamber of Commerce, we look forward to working with all members of the committee to support a bill that incorporates these core principles. For 40 years programs and funding for workforce initiatives and skills development have received bipartisan support. The future of our workforce is not a political party's issue; it is America's issue.

Thank you for allowing me to have the time to speak today.

[The statement of Ms. Moran follows:]

Prepared Statement of Laurie S. Moran, President, Danville Pittsylvania Chamber of Commerce; Chair, National Association of Workforce Boards (NAWB)

Chairman Kline, Ranking Member Miller, and the Members of the Committee. I am Laurie Moran, and I am here representing two organizations. I am President of the Danville Pittsylvania County Chamber of Commerce, which is located in Virginia on the North Carolina border, and I am also the Chair of the National Association of Workforce Boards.

Danville Pittsylvania County Chamber of Commerce

The Danville Pittsylvania County Chamber of Commerce is a local chamber of commerce with approximately 700 business members. 85% of our members are small businesses with 50 or fewer employees. Our chamber is located in a predominantly rural region that spans more than 1,000 square miles with a population of 106,561. The economy was built on tobacco and textiles, which created significant challenges when both sectors simultaneously fell into decline. From 2001 through 2011, our region's unemployment was one to two percentage points higher than the national average and four to five percentage points higher than the average for the Commonwealth of Virginia. In the past 12 months, our region's unemployment has been consistent with the national average; however, we are still averaging an unemployment rate that is two to three percentage points higher than the state's.

With a labor force of 51,000, we have approximately 6,000 unemployed and 5,700 underemployed. 25% of the adult population does not have a high school diploma or GED. Only 14% has a bachelor's degree or higher.

In 2001, our chamber of commerce was formed from the merger of two chambers. At that time, the chamber's board of directors identified workforce development as the top priority for our region. Through the focus of our board and through our involvement in our local workforce investment board, our chamber has been actively engaged in workforce development for the past 11 years. Our chamber advocated for improvements to our local workforce system at a time when our region's system was ineffective. Today our workforce investment board is employer-driven with training dollars allocated for in-demand occupations in our region. Decisions are based on labor market data. We have two comprehensive one stop centers in our workforce region, which house the WIA programs, the employment commission, vocational rehabilitation, and representatives from adult education and the community college system.

For the past two years, our chamber has subcontracted with our one stop operator to provide business outreach for Danville and Pittsylvania County. Our chamber has a full-time staff member who is dedicated to connecting employers to employees, saving our employers time and reducing their costs. We have assisted employers with recruitment through job fairs, job registration, and pre-employment screening.

We have placed WIA clients with private sector employers through job placement, work experiences, and on-the-job training opportunities. We have worked with employers who required customized and incumbent worker training. We have conducted wage and benefit surveys. We also have a proactive layoff aversion strategy to assist employers. In the past two years, we have met with over 200 employers and regularly share feedback to assist the workforce investment board in shaping policy and strategies that meet the needs of our employers.

National Association of Workforce Boards (NAWB)

The National Association of Workforce Boards (NAWB) represents business-led Workforce Investment Boards (WIBs) that coordinate and leverage workforce strategies with education and economic development stakeholders within their local communities to ensure that state and local workforce development and job training programs meet the needs of employers.

NAWB connects workforce development professionals, workforce investment board members, and policymakers with the knowledge, training, and tools to help make informed, smart decisions about how to invest in workforce strategies that advance the economic health of their communities through a skilled, competitive workforce. These investments in workforce development create a comprehensive system to provide America with a highly skilled workforce that competes in the global economy.

Nationally, there are over 550 local WIBs, with each state also having a state workforce investment board. These boards are required to be both business majority and have a business chair. Over 12,000 employers volunteer their time to serve on local and state WIBs.

Our surveys tell us that the vast majority of local WIB members are small employers with less than 250 employees that reflect the local/regional labor markets the WIBs oversee. While these volunteer business leaders represent all sectors of the economy, they have one common bond—putting Americans back to work and helping employers compete. As WIB members they direct the gathering and analysis of labor market needs and trends; communicate these findings to policy makers, employers, training providers, and job seekers; plan the investment strategies for federal and state dollars; and track outcomes to prepare their workforce for the skills needed in their local and regional economies.

Bridging the work of workforce boards and chambers of commerce

I was appointed to my local workforce investment board 11 years ago where I have served as chair and continue to serve on the executive committee. I do not believe that I am an anomaly in my profession. I believe that if you look at workforce boards across our country, you will find many local chambers of commerce represented on their boards and engaged in meaningful collaboration in the area of workforce development.

During my tenure as board chair of NAWB, we have actively reached out to local chambers of commerce to ensure that the voice of the business community is heard by the workforce system. Our outreach efforts have included over 100 local chambers from across the country, representing over 70,000 employers who employ nearly five million workers. These chambers have indicated to us that workforce development is a top concern of their business members.

It is because of the strong partnership that my chamber of commerce shares with our local workforce investment board that I became chair of the National Association of Workforce Boards.

The need for reauthorization

On behalf of both organizations I represent today, I want to applaud Members of the Committee from both sides of the aisle for introducing Workforce Investment Act (WIA) reauthorization bills this year. I have been asked to comment today on H.R. 4297, but strongly urge that WIA reauthorization is a bipartisan process moving forward as supplying the needs of short-term and long-term employment of our nation is the goal of all members of Congress.

We encourage the Committee to move forward in partnership in this effort. It has been fifteen years since WIA was enacted. The original legislation was designed in a very different economy and time when our nation had low unemployment and employers were starving for workers at all levels in our workforce.

Workforce legislation needs to be upgraded and the bill that is the subject of today's hearing makes major strides to ensure that employers have the opportunity to hire skilled workers and that jobseekers have a chance to regain employment in a difficult job market.

The dual challenges facing our workforce system today

Today the workforce system faces competing challenges. Employers are desperately seeking to fill 3.5 million skilled jobs that are currently vacant, while millions of Americans are unemployed or underemployed due to the recession's lingering effects and due to job seekers lacking employable skills.

Workforce boards from around the nation have been on the front lines of this effort to help both employers and job seekers. The most recent annual data from the Department of Labor (DOL) indicates that nearly 8.7 million job seekers nationally have utilized WIA services—an amazing 252% increase over the past three years despite dwindling federal investments to pay for these services. Along with the increase in utilization of WIA services, the success of WIA programs is measured through results. Over 55% of WIA program participants—over 4.7 million individuals—were placed in jobs this past program year despite the fact there are over four job seekers for every available job.

Most importantly, employers find value in the services from WIA as DOL's annual data indicates that nearly eight out of ten employers are satisfied with the services they have received from the workforce system.

The workforce system, however, is far from perfect. Clearly, we would like to have more resources available so that more job seekers could benefit from training services. In addition to direct tuition dollars, WIBs provide support services such as transportation vouchers, books, supplies, testing fees, placement, counseling, and services for health, housing, and childcare to ensure the individual not only completes training but enters and retains employment. Additionally, WIBs monitor their clients up to one year after job placement.

We believe that a reauthorized WIA bill this year will help both job seekers and employers. The Committee has a copy of NAWB's priorities for WIA reauthorization, so today I want to highlight a few of the guiding principles which we hope will be included in the any legislation that is enacted:

Business-led workforce investment boards

We believe that the workforce development system should be governed by effective business-led workforce investment boards that make data-driven decisions. Business-led boards are in the best position to understand the dynamics of local economies and labor markets. They possess the innate ability to determine where investment of monies committed to workforce development will support and contribute to the success of dynamic regional labor markets.

We believe that business-led boards with input from across a community's efforts in transportation, housing, education, and from its citizens are in the best position to ascertain and align investment decisions and hold providers accountable for outcomes.

We also support a reduction in the size of the workforce investment boards, which we believe will help to attract higher caliber private sector board members. For boards to have the greatest productivity and creativity with participation by all members, boards must be manageable in size. We appreciate H.R. 4297 strengthening the business engagement in state and local workforce decisions.

While there are many boards across the country that are doing great work despite their cumbersome size, it takes tremendous effort, focus, and vision for these boards to change a culture of agency-driven to employer-driven.

Flexibility over use of funding at the local level

The needs of locales and regions across the U.S. vary significantly. While the economy has improved in some areas, there are many areas where unemployment is still stubbornly high. One size does not fit all. Job seekers who lost jobs during the 'dot-com' crash did not have the same workforce needs as job seekers who lost jobs when textiles moved offshore.

Because of the role of local workforce investment boards, the local boards are best positioned to make informed decisions about the allocation of funds at the local level. We are in agreement with the provisions in H.R. 4297 that allow local boards to determine how much of their WIA funding is devoted to training based on their labor market needs. The focus should be on outcomes rather than on a mandated percentage of training. If the goal is to get people back to work, then the local boards should know if their labor pool requires minimal support through core and intensive (non-training) services, which include advanced assessment, basic skills remediation, and work readiness or whether they need enhanced skills and training to help job seekers enter/retool to reenter the workforce.

We also believe this will encourage the continuation and expansion of funds leveraged from other sources, including federal resources such as Pell grants, TANF employment and training, or non-federal resources such as philanthropy or private sec-

tor investments. We would encourage WIA reporting to reflect non-WIA funds that local WIBs leverage or receive and the workforce training and/or services that are delivered as a result of non-WIA funds. In a time of limited resources, we believe that there should be a process to reward those boards that are collaborative and innovative in working beyond WIA funding to leverage additional resources for job training and/or placement.

There are numerous examples of WIBs leveraging private and foundation funding to increase their ability to serve employers and job seekers.

The WorkPlace, a WIB in southwest Connecticut, was featured on 60 Minutes in February for an innovative initiative that addressed individuals with 99 weeks of unemployment. The Workplace raised over $500,000 from private investors to implement Platform to Employment (P2E), an eight-week work experience program. After five weeks of classroom training that includes a self-assessment, change management, effective communication, and successful job search strategies, individuals are placed on The WorkPlace's payroll, eliminating the expenses and risks businesses associate with hiring a new employee and allowing businesses to evaluate and consider job candidates. Within weeks after completion of the program, over 70% of P2E participants were placed in employment. This is significant when you consider that individuals with 99 weeks of unemployment have less than a 10% chance of finding employment within a month.

In our region over the past three years we have secured over $2 million in non-WIA funds to support workforce development initiatives. Our WIB is working collaboratively to leverage funding and/or training through local foundations, our community colleges, the Virginia Tobacco Commission, and our employers. Funds have been targeted for sector strategies in healthcare, advanced manufacturing, energy, and information technology. Initial training efforts have focused on energy auditors and manufacturing technicians. In addition to providing industry-recognized credentials to participants that assisted in job placement and advancement, we've also had three businesses start up as a direct result of the training.

The importance of local decision-making

Whether it's the efforts to return the long-term unemployed back to work or training that leads to the start-up of businesses, the successes that we celebrate across this great nation are all important, and many are specific to their local communities. Employer-led boards that have local decision-making authority and funding flexibility to invest resources in the most relevant areas will be those boards that represent regions that thrive. Previous WIA legislation was crafted to maintain the delicate balance between states and local areas. As the Committee moves forward, we believe that it is imperative that there be a collaborative process between the states and local areas for both automatic designation of WIB's and single state designation.

I don't have to look at other states to see the diversity of challenges and opportunities that face our workforce system. I can simply look at my own state, the Commonwealth of Virginia. While Northern Virginia struggles with gridlock, my neighbors complain when the one stoplight in our town is red. But for job seekers in my town who are unemployed and have no car, the lack of gridlock also signals the lack of public transit to get to a job interview or to get to work. When Northern Virginia deals with its unemployed, statistically their job seeker is college-educated as 55% of the population has a college degree. When my region discusses the education levels of our unemployed, more than 50% of our job seekers have a high school education or less. I'm not sharing our differences to insinuate that one situation is better than the other. We're simply different which is why workforce decisions need to be made at the local level to address the needs of employers and job seekers who are local.

Our regions require innovative solutions that utilize the insight and investment acumen of business leaders in collaboration with elected officials, economic development professionals, educators, and other workforce partners.

This past weekend, Danville hosted 700 MBA students who were competing in the Duke MBA World Rugby Tournament. 30 teams representing six nations were in Danville for three days. To many people, it was a sporting event. For our local workforce investment board, the chamber of commerce, economic development office, a foundation, employers, and other workforce partners, it was a recruitment event. We set up an information booth, utilized young professionals who work in our region to help us market our region, and gathered information to determine which students might have an interest in returning to Danville for an internship, a job, or a site location for their future business. Where else would this type of innovative thinking occur but around a local table with business and economic development leaders discussing talent recruitment?

Thank you

Thank you for the opportunity to testify before the Committee. I've told just a little of the story. There are hundreds of stories about local solutions at *www.WorkforceInvestmentWorks.com.*

On behalf of NAWB and on behalf of the Danville Pittsylvania County Chamber of Commerce, we look forward to working with all of the Members of the Committee to support a bill that incorporates these core principles. For 40 years, programs and funding for workforce initiatives and skills development have received bi-partisan support. The future of our workforce is not a political party's issue. It's America's issue. We strongly encourage bi-partisan support for WIA reauthorization.

Thank you again for allowing me this time today.

Chairman KLINE. Thank you.

Mr. Van Kleunen?

STATEMENT OF ANDY VAN KLEUNEN, EXECUTIVE DIRECTOR, NATIONAL SKILLS COALITION

Mr. VAN KLEUNEN. Thank you. Chairman Kline, Ranking Member Miller, members of the committee, National Skills Coalition is a national network of business leaders, union affiliates, community colleges, community-based organizations, and public workforce agencies who want to see every worker and every industry in this country gain the skills they need to compete and prosper. On behalf of those members, I want to thank you for inviting me to testify today and for your efforts to strengthen and modernize the Workforce Investment Act for the 21st century.

We are encouraged that this issue has prompted introduction in this committee of two comprehensive reform bills. While these bills share some common goals they adopt significantly different approaches in the pursuit of reform. We would welcome the opportunity to discuss some of the key differences between the two bills as well as places where we think they potentially align; however, for the purposes of my testimony today I am going to focus on H.R. 4297, Chairwoman Foxx and Representative McKeon's and Heck's bill, to identify some areas where our members have concerns or recommendations for improvement.

First, in the name of alignment and improving efficiency, necessary goals for a future workforce system, H.R. 4297 adopts the blunt instrument of program consolidation, eliminating at least 27 federal programs that collectively provide a variety of services to support the training and employment of many different types of workers. Consolidation, in and of itself, will unfortunately not produce reform. We need a more targeted approach that fixes what is not working and invests in what is.

Pulling together a list of funding streams will, in and of itself, not guarantee that workers or businesses are going to be better served, particularly if the consolidated investments are not guided by the effective practices developed by the workforce field over the past 15 years. Unfortunately, the consolidated fund would do little to require states that have not been innovators in the past to adopt the effective practices of their peers, and it may even create perverse incentives for past high-performing states to abandon the effective models that they have already developed.

Second, the bill emphasizes the need for workforce programs to be more closely aligned with employer needs, another goal with which we strongly agree. However, we feel the mechanism pro-

posed—increasing the percentage of employers sitting on workforce investment boards while decreasing representation from other key community, education, and labor stakeholders—will actually do little to increase employer involvement or market responsiveness.

Increasing from 13 to 17 the number of employers on a 25-person WIB will not dramatically increase the number of employers throughout a region collaborating to define common industry-recognized credentials or vetting shared training and employment strategies to fill open positions in their companies. Such have been the accomplishments of States and regions that have adopted a sector partnership strategy, in which such partnerships are a planning priority, in which there is a participation by a wide enough range of firms and other stakeholders to make them legitimate, and in which there is funded capacity to sustain them so they can rapidly respond to changing industry needs over time.

While we do appreciate the Republican bill acknowledges the value of sector partnerships, it does not prioritize this approach. By contrast, the Tierney-Miller-Hinojosa bill incorporates several of the above standards to promote sector partnerships, as does Congressman Loebsack's and Congressman Platts' SECTORS Act, which passed the House under the last Congress.

Third, the bill seems to ignore the diversity of Americans who are part of our rapidly changing workforce. With mounting skill demands and the pending retirement of millions of skilled baby boomers, our economic future depends on our moving every available U.S. worker toward skilled employment.

Young people struggling with particularly high unemployment, laid off workers with 30 years experience, mothers who stay and home with their children but now must find employment, any of the over 80 million hardworking Americans, about half of our workforce who lack the basic reading, math, or English language skills to enroll in a technical training course in order to keep up with a changing economy. There is no one workforce development strategy or funding stream that can meet the need of all of these workers or guarantee the full menu of services that each might need in different combinations and settings at different points in their lives.

Not only does the bill eliminate the various programs that have served these different types of workers, it sets a very low 2 percent spending requirement for assistance to the hard-to-serve. It removes the provision of support services, like child care or transportation, to help people stay in school or on the job, and it sets an 18 percent cap on services to low-income youth and would not hold states accountable if they spent significantly less.

In all, while some States would continue to assist the hard-to-serve under this bill, we fear many states might not.

Finally, regarding national investment in skills, we want to thank Chairwoman Foxx for her commitment to not use this bill to reduce overall funding to workforce programs, the amount for the consolidated Workforce Investment Fund being close to the sum of current appropriations for consolidated programs. However, we do have great concerns about how this proposal might be used by others in Congress to implement deeper, devastating cuts.

Chairman Ryan's budget blueprint cited an earlier version of this bill as rationale for dramatic disinvestment across adult education,

job training, career and technical education, and higher education programs. The House's recently passed budget resolution cuts over $16 billion from education, workforce, and social service programs under Budget Function 500 and we fear the passage of H.R. 4297, regardless of the intentions of its authors, could be used to target much of that impact on the skills of the American people and U.S. industries.

We look forward to working with the committee in pursuit of the goals to get all of our workers into skilled jobs and to help meet the skill gaps that currently face our U.S. industries.

[The statement of Mr. Van Kleunen follows:]

Prepared Statement of Andy Van Kleunen, Executive Director, National Skills Coalition

CHAIRMAN KLINE, RANKING MEMBER MILLER, CHAIRWOMAN FOXX, AND RANKING MEMBER HINOJOSA: National Skills Coalition is 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.

On behalf of our members, I want to thank you for inviting me to testify before the committee today, and for your efforts to strengthen and modernize the Workforce Investment Act (WIA) for the 21st century. With nearly two-thirds of all jobs created between 2008-2018 expected to require at least some form of postsecondary education or training—including millions of well-paying "middle-skill" jobs that the workforce system is particularly well-suited to help fill—we must ensure that all U.S. workers have access to education and training leading to skills and industry-recognized credentials that will allow them to get and keep family-supporting jobs. And, with U.S. employers struggling to fill even current job openings because of a lack of qualified candidates, it is clear that we must act sooner rather than later to ensure that we have a workforce system that can respond quickly and effectively to the demands of today's labor market.

It is a testament to the importance of this issue that we have two alternatives before this committee to consider for purposes of WIA reauthorization. The Workforce Investment Improvement Act of 2012 (HR 4297), introduced by Subcommittee on Higher Education and Workforce Training Chairwoman Foxx and Representatives McKeon and Heck, and the Workforce Investment Act of 2012 (HR 4227), introduced by Representative Tierney, Ranking Member Miller, and Subcommittee on Higher Education and Workforce Training Ranking Member Hinojosa. Both offer visions for the nation's workforce system that share some key commonalities, but also underscore some stark differences.

Core Goals for Reform

National Skills Coalition believes that any federal workforce policy reforms, such as those being considered by the committee, 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.

We are encouraged to see that similar goals inform both the legislation that is the focus of today's hearing, as well as the bill introduced last month by the committee Democrats. However, National Skills Coalition has significant concerns that some of the policy changes proposed under HR 4297 may not actually achieve these goals.

Impacts of Proposed Consolidation

In the name of alignment and reducing inefficiency—necessary goals for our future workforce system—HR 4297 adopts the blunt instrument of program consolida-

tion, eliminating 27 federal programs that collectively provide a variety of services to support the training and employment of many different types of workers, as well as key functions like our 50-state Wagner-Peyser system that connects the unemployed to unemployment insurance and re-employment services. But after eliminating these programs, the resulting consolidated Workforce Investment Fund block-grant does not actually require states or localities to adopt proven practices like the reforms the authors encourage elsewhere in their bill.

Consolidation, in and of itself, is not reform. Simply combining 27 funding streams into one will not automatically result in a more effective, efficient system if nothing changes in how those funds are being used at the state and local level. Congress should make specific, targeted investments in key strategies that we know work, and require all states—not just the high-performing innovators—to implement those strategies as is appropriate for their local and regional labor market needs. This will better drive system-wide change. Even among the states that have been first adopters of these practices over the past decade, we fear that consolidation may create unintended incentives that will shift them from the very models they have developed to bring a wide range of people into the skilled labor market.

Furthermore, it not clear that the programs that are consolidated under HR 4297 will actually result in the kind of system alignment that will facilitate seamless transitions across programs and institutions. National Skills Coalition believes that, rather than simply consolidating a list of programs culled from a Government Accountability Office report, a better approach would be to promote and support career pathways models that align adult education, job training, postsecondary education, and supportive services at the system level to provide well-defined employment and training pathways for individuals, with multiple exit and entry points for workers at various skill levels and stages in their careers. These career pathways strategies have demonstrated strong results in helping workers—particularly low-skilled individuals and other vulnerable populations—persist and succeed in education and training, and have enhanced employer engagement in the design and implementation of programs that help prepare new workers for entry-level positions, while helping incumbent workers move up the career ladder. Numerous states, regions, and local communities have already begun this work, and federal policy should support the progress that has already been made in the field.

But our greatest concern, beyond not providing clear direction or standards on how federal funds should be used, is the impact that consolidation will have on the populations who may no longer be served once these programs are eliminated.

Programs and Services for a Diverse Workforce

HR 4297 seems to ignore the diversity of individuals who are in, or aspire to be part of, our rapidly changing U.S. workforce. With mounting skill demands and the pending retirement of millions of skilled baby boomers, we need to ensure that every U.S. worker—even those with the greatest skill needs—can qualify for skilled employment in U.S. industries. That means we need a diversity of programs and pathways to match the wide range of people who need to be part of that solution: young people struggling to find jobs out of high school; 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; and older workers who are postponing retirement and need some skills and support to continue earning a living. We have nearly 90 million workers who need some upgrading of their reading, math and/or English language skills—in addition to whatever new technical skills they will need—if they're going to fill or re-train for open skilled positions.

There is no one workforce development strategy or funding stream that can meet the needs of all of these workers, or guarantee access to the range of services that each of them will need in different combination in order to succeed. Many of them will require not just technical training, but also possibly income support if they're not working, or childcare or transportation services to help them stay in school or on the job after placement, or basic skills and /or English language instruction, or any of a number of other types of assistance. HR 4297 eliminates programs that have guaranteed that a full diversity of workers—including those with the highest skill needs—have access to these federally funded employment and training services. In addition, vulnerable populations like disconnected youth, Native Americans, migrant and seasonal farmworkers, and other hard-to-serve populations would almost certainly lose access to vital services under HR 4297.

In the place of these eliminated programs, HR 4297 requires states set aside a very low 2% of their funding allocation 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 support services. It eliminates the current priority of services for low-income individuals. It sets an 18% cap on services

to low-income youth, and would not hold states accountable if they spent significantly less than that. And, beyond what provisions and programs it eliminates through its consolidation proposal, it 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 TANF, TAA, Vocational Rehabilitation services for those living with disabilities, and the Community Services Block Grant.

As such, 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 reduce access to education and training services for our nation's most vulnerable workers.

Employer Engagement and Sector Partnerships

HR 4297 emphasizes the need for federal workforce programs to be more closely aligned with the changing needs of industry—another goal with which we strongly agree. However, the mechanism proposed by HR 4297 to achieve greater employment engagement—that is, increasing the percentage of employers sitting on Workforce Investment Boards (WIBs) while decreasing representation from other stakeholders—will likely do little to actually increase the number of local employers involved in the local definition of industry-recognized credentials, or in the vetting of 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 necessary input of a range of perspectives in the planning out of workforce services that will meet the needs of both employers and workers within local communities.

Under current law, there are WIBs with 51% employer membership who are actively collaborating with multiple firms and other stakeholders in industry-specific sector partnerships—partnerships that are held up as models of employer engagement for the rest of the country—and there are WIBs with the same 51% employer stake who 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 planning and deployment efforts. Also key is whether the development of such sector partnerships is a state or local planning priority, whether there is participation by a wide enough range of firms and other stakeholders to make them legitimate, if there is funded capacity to help maintain these partnerships to respond to changing industry needs, and if there are rewards for those systems that use them effectively to increase employer engagement.

Accountability and Performance Measures

National Skills Coalition appreciates and supports the increased attention to accountability and performance measures under HR 4297. The bill makes a number of important improvements to the current performance and accountability system, including the implementation of common performance measures across WIA core programs. The inclusion of a new credential measure, and a measure of progress toward a credential that potentially encourages longer-term training critical for low-skilled workers, are important improvements of current law, as is the required state adjusted level of performance for each of the core indicators.

However, even with these changes, there are concerns that HR 4297 will still lead to the kinds of "creaming" that sometimes occurs under the current performance measures. For example, HR 4297 uses a measure of median wages rather than wage gains. The use of median wages tends to push toward focusing on individuals with higher earning potential—and thus higher median wages—while a measure of wage gains potentially rewards programs that serve low-income individuals who have the greatest opportunity to increase their earnings. Under HR 4297, states could potentially meet performance requirements without ever addressing the needs of those with the greatest barriers to employment. We know from experience that so long as performance measures do not reward states that make the commitment to serve low-income, low-skilled, or otherwise vulnerable populations, these populations will often not have access to the education and training they need to obtain skilled employment.

Furthermore, even under current law, data collection and program oversight are already difficult. The diversity of local policies for registering participants and tracking program outcomes has complicated federal oversight because it is difficult to obtain nationally comparable data. Under HR 4297, it is likely that the consolidated block-grant funding structure will further exacerbate this issue. As a rule, we know less about how block-grants funds are spent than other types of funds. Our ability to evaluate access to employment and training services by population, type of job-

seeker, income level, or skill level will almost certainly be less under a consolidated block grant than under current law.

Putting Investments in Skills at Risk

Finally, the level of investment in a skilled workforce provided under HR 4297 must be considered in the context of the current fiscal debate. We want to thank subcommittee Chairwoman Foxx for her commitment to maintaining current funding levels for what are already significantly under-invested programs. The authorization for the proposed Workforce Investment Fund appears to be close to the sum of current appropriations for programs consolidated under the bill. While we do not agree with the consolidation or believe that this funding level is adequate—witness the near tripling of clients using our One-Stop services just over the past two years—we appreciate that HR 4297 does not further contribute to the more than $1 billion in workforce funding cuts that we have already seen over the past two years.

That said, our much greater concern is how consolidation proposals like that proposed under HR 4297 have been cited by others in Congress—including 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's recently passed budget resolution would cut over $16 billion from our nation's education, workforce and social service programs under Budget Function 500, and we fear the passage of HR 4297—regardless of the intentions of its authors—would be used to justify extremely deep cuts in skills investments.

Conclusion

It is our hope that this Committee can bring this debate back to what we think are shared goals: investing effectively in all of our country's workers, ensuring those investments are guided by the active involvement of employers and other industry stakeholders, holding our states and localities accountable and rewarding those who continue to be workforce innovators, and ultimately closing skills gaps that will help more people find good employment and help more U.S. industries grow. We look forward to working with the committee in pursuit of these goals.

Chairman KLINE. Thank you.

Ms. Harmsen, you are recognized.

STATEMENT OF SANDY HARMSEN, DIRECTOR, SAN BERNARDINO COUNTY DEPARTMENT OF WORKFORCE DEVELOPMENT

Ms. HARMSEN. Chairman Kline, Ranking Member Miller, and distinguished members of the committee, it is my privilege and honor to testify before you today regarding the Workforce Investment Improvement Act of 2012. My name is Sandy Harmsen and I am the executive director of the San Bernardino County Workforce Investment Board.

The San Bernardino County WIB and I are passionate about WIA and workforce development. I personally believe there is no better work done in the world. As one of our members so eloquently said, "Work restores a person's self confidence, it builds character, provides opportunity, promotes self reliance, and is the backbone of our country."

The San Bernardino County WIB fully supports a workforce development system that has local board control and a strong majority of private sector business members within a united workforce system. We believe in the engagement of business in State and local workforce decisions, increasing local flexibility, and in supporting training needs for all populations.

I believe that strengthening business engagement in local workforce decisions is a key tenet of this legislation. Our WIB has maintained a strong local connection due it—due to its majority of pri-

vate sector business owners, which has enabled it to focus on the needs of both business and job seekers in our economy.

The board was recognized in the January 2012 GAO report for its innovative approach to serving business through process improvement. The program utilized federal funds to assist local businesses with job creation and retention. Many of the programs developed would not have been successful without the engagement of business in local workforce decisions.

The program resulted in saving 1,100 jobs, created more than 200 new jobs, and infused $25 million back into the economy. Again, this is the result of local control.

We believe local control could be enhanced even further. One challenge our county has experienced is in managing the side of—size of the board, and we appreciate that this bill emphasizes local control over decision-making about which partners serve on the board.

We also agree that local flexibility must be fully supported in the workforce system. Local flexibility enabled the county WIB to consistently maintain an active business services program. The connection to the local business community and its workforce needs coupled with maintaining a dedicated business services team empowers the board to respond to business needs quickly even during times of recession.

Local control and private sector leadership enables the board to effectively identify and respond to the needs of local business. The strong business presence provides pertinent, timely leadership and decision-making regarding workforce issues.

Because of this strong business focus the WIB partners with local industry councils, chambers of commerce, educational providers, and community organizations to provide information and resources that aid growing as well as struggling businesses. Local flexibility is what has made it possible to serve those needs in a designated area in ways specific to the needs of both business and job seekers.

Jon Novack, from Patton Sales, said in 2009 for the first time in his company's 58-year history he lost money and faced major layoffs. Then a customer who could not afford to stay open any longer came to Jon hoping to sell his company. Jon felt if he could acquire the company he could make it successful by combining it with his existing company.

Through WIB support he trained the company staff in modernized manufacturing processes and assisted him with recruiting new employees. He also utilized the WIB's on-the-job training program with newly hired employees.

Jon became a member of the WIB last year because, as he put it, "This is how government works with business at its best—proactive partnering with business and education to provide a well-trained and smart workforce."

Malena Bell was laid off from a job and was forced to go apply for public assistance. She went from $1,800 a month to $500 a month. She discovered the Work Readiness program through the county's workforce investment board's employment resource centers, attended job seeker workshops, and was hired into one of those OJT positions. Two years later she is still employed by this same company and is moving up into a sales position.

The WIB's relationships with local business community, education providers, and community organizations support the business community and job seekers like Malena. The stories cited above directly tie in with important tenets of this act: strengthening business engagement and local workforce decisions, increasing local flexibility, and promoting innovation and best practices.

WIBs across the nation work to streamline the workforce system by working together with various partners to meet the needs of their local businesses and job seekers. We invest our funds to develop and seek reports to identify local demand occupations and we support the tenets of improving services through on-the-job training.

San Bernardino County WIB has utilized the on-the-job training system to a great degree and since 2009 to date have placed over—nearly 2,000 people into on-the-job training positions. The WIB partners with other crucial partners to serve special populations, as well, and contracts with the Department of Aging, the Probation Department, the Sheriff's Department, Department of Corrections, the Head Start program, Transitional Assistance to Needy Families, and the Department of Behavioral Health to provide services to those specialized populations.

We do agree with the GAO report of 2011 that there is better opportunity for better coordination of workforce programs. Strategic decisions on services that get individuals in our community who are unemployed or underemployed back to work should be made at the local level. This legislation places focus on results and closing a growing skills gap by identifying and meeting the workforce needs of both employers and job seekers.

Supporting training opportunities for all is another important tenet of this legislation. Our WIB and other WIBs, again, across the nation work with local industry councils to develop programs to provide a skilled workforce that directly meet the needs of business. The San Bernardino County WIB works specifically with community colleges to help support a growing mining industry and create jobs—job training for that specific industry.

The WIB and Manufacturers Industry Council worked with two community colleges to develop and implement an electrical and mechanical training program, again, specific to the needs of business in advanced manufacturing. We have worked with vocational school, Technical Employment Training Inc., which provided skilled machinists for the manufacturing industry, which was also recognized in the GAO report of 2012.

I will wrap up by saying that another—one of the final tenets of this bill that we support absolutely is accountability. We need to have a workforce system that serves customers, business, and job seekers alike in an effective and efficient manner, maximizing resources and training customers for jobs available with business. We support performance measures based on outcomes related to the services provided.

We are happy to say that we have been recognized by several entities for doing just that across the nation and believe that the recognition demonstrates the local board control of the workforce system with strong majority of private sector and collaborative projects with workforce programs are key components for success.

One thing Mr. Miller said: The manner in which we reauthorize WIA is vital and important. WIA is such a strong program and it is the best workforce program. We agree with that 100 percent. It is vital how we reauthorize this bill, and I thank you so much for the opportunity to be able to testify on behalf of this.

[The statement of Ms. Harmsen follows:]

Prepared Statement of Sandy Harmsen, Executive Director, San Bernardino County Workforce Investment Board

EXECUTIVE SUMMARY

The San Bernardino County Workforce Investment Board believes in a workforce system that serves customers—businesses and job seekers alike—in an efficient manner that maximizes resources. To that end, the San Bernardino County WIB fully supports a workforce development program that has local board control and a strong majority of private business members within a united workforce development system. We believe The Workforce Investment Improvement Act of 2012 contains these tenets.

The San Bernardino County WIB supports the tenets of improving services through On-the-Job Training, contracting with community colleges and institutions of higher learning to provide specialized group training that is designed for businesses looking to hire individuals with specific skills, and training for those who need it the most within our communities. The WIB contracts with other entities and provides their clientele with workforce training, job development and job placement services. We work with local industry councils to create a skilled workforce that meets their specific needs.

Jon Novack is the President and CEO of Patton Sales. Jon became a member of the WIB last year because, as he puts it, "This is how the government works with business at its best—proactive partnering with business and education to provide a well-trained and smart workforce. Training is great, but worthless without a job."

Malena Bell was a single mom who was laid off and tried to survive on $500 a month in Unemployment Insurance. She was hired by Patton Steel through the WIB's On-the-Job Training program. After her training period ended, she was hired full-time and is now celebrating her second year with the company.

San Bernardino County WIB members represent each major industry in our County and participate in monthly meetings with local industry councils. Private sector business owners are invaluable to our Board. They have their finger on the pulse of local business, they are experienced business managers, and they understand the skills local businesses need to grow and diversify.

The WIB and the Manufacturers Industry Council worked with two community colleges to develop and implement an Electrical/Mechanical Advanced Manufacturing training program. Multiple local manufacturing businesses have utilized this program to upgrade the skills of their lower-level employees, moving those employees into higher level positions and then hiring new employees through the WIB One Stop Centers.

FULL WRITTEN STATEMENT

Chair John Kline and distinguished members of the Committee, thank you for the opportunity to speak today about the Workforce Investment Improvement Act of 2012 (H.R. 4297). My name is Sandy Harmsen, and I am the Executive Director of the San Bernardino County Workforce Investment Board and Director of the County's Workforce Development Department. The San Bernardino County WIB fully supports a workforce development program that has local board control and a strong majority of private business members within a united workforce development system. We believe in business engagement in state and local workforce decisions, increasing local flexibility, and supporting the training needs of all populations.

Strengthening Business Engagement in State and Local Workforce Decisions

The San Bernardino County Workforce Investment Board consists of a majority of business owners who helped establish a local Manufacturing Industry Council and a Transportation and Logistics Council. The WIB is also active as members of the Aviation Industry Council, the Healthcare Workforce Advisory Board, and the California Clean Energy Collaboration. Their connection to the local business community and its workforce needs, coupled with a dedicated Business Services Unit, empowered the WIB to quickly respond to the severe economic downturn. Because of the local connection, the WIB focuses on the needs of all populations in the coun-

ty. We believe local control could be enhanced even further. One challenge our county has experienced is managing the size of the board. We appreciate that H.R. 4297 emphasizes local control over decision making about which partners serve on the board.

Promoting Innovation

The San Bernardino County Workforce Investment Board was recognized in the January 2012 GAO Report to Congressional Committees for its innovative approach to serving businesses through its process improvement program. San Bernardino County WIB has a dedicated and comprehensive business support program that deploys federal funds to assist local employers with job creation and retention. Many of the programs developed and implemented would not have been successful without the engagement of business in local workforce decisions.

Maintaining a business focus, the WIB developed relationships with San Bernardino employers in high-demand industries that promise job growth and opportunities for county residents. The business services staff meets regularly with employers to identify specific workforce needs, discover job openings and negotiate subsidized and On-the-Job Training contracts. They also help employers avert layoffs through business efficiency training. The results of local control, with a strong business focus, enabled the San Bernardino WIB to implement a process improvement program that resulted in saving 1,106 jobs and hiring 204 residents into newly created jobs. The impact of this program was to infuse $25M back into the local economy.

Local control enables the WIB to effectively identify and respond to the needs of local businesses. The strong business presence provides pertinent, timely leadership and decision making regarding workforce issues. Because of the strong business focus, the WIB partners with the local industry councils, chambers of commerce, educational providers and community organizations to provide information and resources that aid growing, as well as struggling, businesses. The WIB business services staff developed and implemented Business Survival Workshops throughout the County. Workshops are conducted in varying locations to reach as many businesses as possible given the large geographic area of San Bernardino County that consists of 20,000 square miles (the largest County in the contiguous U.S.) with more than 62,000 businesses.

The Business Survival Workshops receive an overwhelming response by the local business community. Twenty-nine partners offered free initial consultations to businesses in their respective areas of expertise. More than 400 businesses have taken advantage of a free on-site assessment that identifies their strengths and weaknesses in sales, business processes, customer service, and employee performance and productivity. To date, the WIB's weekly workshops have assisted more than 1,100 businesses. Utilizing the results of their assessment, a business can request additional targeted assistance available through the WIB:

- Process Improvement for streamlining the manufacturing process to reduce production cost and increase productivity. These services also led to increasing the capacity of the participating manufacturers to increase sales.
- Strategic and Financial Planning for evaluating the manufacturers' current state and establishing long-term business and strategic goals based on sound financial planning. Referrals to other agencies like the SBA for loans were also made to manufacturers who needed operating and investment capital.
- Quality Management System implementation that improved product quality, on-time delivery and met industry ISO 9001 and AS9100 certification requirements. Many of the at-risk manufacturers lost customers because they lacked certifications or could not enter new markets.
- New product development and diversification of products to foster innovation and growth. Innovation is a key for small manufacturers to stay competitive and gain market share.

As highlighted in the January 2012 GAO Report, manufacturers who received these targeted services were surveyed six months after they had implemented recommended changes by an independent survey from NIST/MEP and reported:

- $8 million in increased sales
- $18 million in retained sales
- $2.6 million in cost savings
- $2.1 million of investment in equipment, IT and workforce skills development
- 600 retained jobs
- 117 created jobs

Increasing Local Flexibility

The WIB's business focus is a necessary component to the workforce development system. Local flexibility is necessary to serve specific needs in a designated area. Local flexibility enabled the San Bernardino County WIB to fund business services even during the recession and made a difference for businesses struggling to keep their doors open and to people who needed jobs to keep their homes and support their families.

Jon Novack from Patton Sales said that in 2009 "the wheels came off the bus" for his company. The value of his inventory fell, customers stopped buying, no one could get credit from banks for building, the phones stopped ringing and his trucks sat idle. For the first time in his company's 58 year history, he lost money and faced major layoffs, selling of assets, and went into survival mode. Then a Patton customer who could not afford to stay open any longer came to Jon hoping to sell him his company. Jon felt the customer's company had been neglected, was inefficient and had no vision of the future. To quote Jon, "Enter the SB County WIB". The WIB worked with him every step of the way as he acquired the company. Through WIB support, Jon trained the company's staff in modernized manufacturing processes, assisted him with recruiting new employees, and reduced the cost impact of the new hires' reduced productivity level through its on-the-job training program. Jon became a member of the WIB last year because, as he puts it, "This is how the government works with business at its best—proactive partnering with business and education to provide a well-trained and smart workforce. Training is great, but worthless without a job."

When Malena Bell was laid off from her non-profit organization, she was in the situation that every parent fears—having come one month short of living on the street. "When I lost my job, I was forced to go apply for public assistance," she said. "I went from making $1,800 a month to $500 a month."

Malena wasted no time utilizing the work readiness program offered by staff at the county's Employment Resource Centers, and immediately went to work on her resume and interviewing skills. By attending job seeker workshops offered through the WIB's Employment Resource Centers, she had her ear to the ground when Patton Sales Corporation would be hiring through the On-the-Job Training program.

"She hated being on government assistance and took it personally," said Jon Novack, president of Patton. "She said, 'Give me a chance and let me show you what I'm about'." Malena has now been with Patton for two years and is moving up to sales training. She plans to stay with Patton until her retirement.

Local flexibility and the WIB's relationships with the local business community, educational providers and community organizations support the business community and job seekers like Malena. The stories cited above directly tie in with important tenets of the Workforce Investment Improvement Act of 2012:

- Strengthening business engagement in local workforce decisions
- Increasing local flexibility
- Promoting innovation and best practices

Supporting Training Opportunities for All Adults, Dislocated Workers, and Youth

WIBs across the nation work together with various partners to meet the needs of local businesses and job seekers. San Bernardino County WIB and other WIBs invest their funds in researching and seeking reports to identify local demand occupations and growing and emerging industries. We support the tenets of improving services through On-the-Job Training, training for those who need it the most within our communities, and contracting with community colleges and institutions of higher learning to provide specialized group training that is designed for businesses looking to hire individuals with specific skills. These initiatives under H.R. 4297 will ensure that customers are trained in necessary skills to match jobs available with business.

Since 2009, the San Bernardino County WIB has worked with local businesses to develop On-the-Job Training (OJT) opportunities and has placed 1,845 job seekers into these training positions. These positions not only assisted the job seekers in obtaining needed skills and gaining employment, they also assisted businesses involved in the program by helping them with costs associated with bringing a new employee up to the desired productivity level.

In 2009, after receiving special funding to implement a Summer Youth Employment Training Program, the San Bernardino County WIB provided employment skills training to over 1,800 youth and placed them into summer jobs. Many of these youth were retained by the businesses at the end of the program. In the summer of 2010, utilizing TANF funding, the WIB served 800 youth through a similar program. Annually, the WIB contracts with local providers to serve youth utilizing its WIA Youth allocation.

Streamlining the Maze of Job Training Programs

Many of the OJT positions developed by the San Bernardino County WIB were filled with recipients of public assistance, not because we are mandated to do so, but because this is one of the populations our local area has determined is in need of workforce services. The WIB partners with other entities to serve special populations. The following entities contract with us to serve their clientele for workforce training, job development and job placement:

- Department of Aging and Adult Services
- Probation Department, Sheriff and Department of Corrections
- Head Start
- Temporary Assistance to Needy Families
- Department of Behavioral Health

We agree with the GAO report of 2011 that there is opportunity for better coordination of workforce programs. Strategic decisions on services that get individuals in our community who are unemployed or underemployed back to work should be made at the local level. This legislation places focus on results and closing a growing skills gap by identifying and meeting the workforce needs of both employers and job seekers. We do need to meet the workforce needs of each community at the local level and the workforce system needs to be funded at an appropriate level to provide effective services for all.

Improving Employment and Training Services at One-Stop Career Centers

The San Bernardino County WIB works with local industry councils to develop training programs designed to provide a skilled workforce that meets their specific needs. Recently, the WIB worked with a local community college to implement a training program for the growing mining industry. The WIB and the Manufacturers Industry Council worked with two other community colleges to develop and implement an Electrical and Mechanical training program in Advanced Manufacturing. The WIB also worked with a vocational school, Technical Employment Training Incorporated (TET), to develop a work-based training program to provide skilled machinists for the manufacturing industry. The TET initiative was recognized in the January 2012 GAO Report.

Ensuring Accountability for the Use of Taxpayer Funds

The San Bernardino County Workforce Investment Board believes in a workforce system that serves customers—businesses and job seekers alike—in an effective and efficient manner that maximizes resources. The San Bernardino County WIB supports performance measures that are based upon outcomes related to the services provided. Our WIB has been recognized for its best practices by the National Association of Counties, the Department of Labor and the California State Association of Counties. This recognition demonstrates that local board control of the workforce system with a strong majority of private business members and collaborative projects with workforce programs are key components for success.

Chairman KLINE. Thank you.

I thank all of you for your testimony. Your entire written testimony will be included in the record.

We will move now to my colleagues for some questions and answers. We will limit ourselves—I will help you with this part—to 5 minutes so that all members have a chance to engage in the discussion.

Let me start with Ms. Harmsen.

As you were giving your testimony you talked about strategic decision-making and more strategic approaches and local control. H.R. 4297 specifically removes the federal requirements for board representation except for the business representation. It is our belief that that streamlines the boards. We have been hearing for some time in this committee, out in the field and here, from State and local workforce boards about how they are getting very bloated; they keep growing in size and get pretty cumbersome.

Can you address that streamlining provision of this bill and how that will affect the board's ability to do more strategic thinking?

Ms. HARMSEN. Yes. Thank you.

As I did state partially in my testimony, we do believe that the strong majority of business sector on the board is absolutely vital to the success of this program. Having those business members on the board to guide decisions as to how the workforce dollars are spent is so very important.

We know, for example, in San Bernardino County, 63,000 small businesses in our county—they make up the majority, over 90 percent of the businesses in our county. So to have that voice on the board is absolutely important.

I do believe that the other members of the board should be also a local decision, that at that actual local, on-the-ground level, however, for the balance of the members of that board so that the local areas can make decisions about who is important to be on those boards and have a voice at that table.

Chairman KLINE. Our thought was that by requiring, as the current law does, all this membership—18, 19 sort of different members—that the boards were getting cumbersome, and I am trying to get at your point that if the decision is made at the local level about who is on that board it can be a more streamlined operation. I don't want to put words in your mouth, although I guess I am trying to here. [Laughter.]

Ms. HARMSEN. Yes, that is what I am saying.

Chairman KLINE. Perfect.

Ms. HARMSEN. Yes.

Chairman KLINE. It is great how that worked out. [Laughter.]

Ms. Noble, again, pass our regards to your governor. She was our colleague for some years and a great friend to many of us on this committee.

This legislation consolidates 27 federally funded job training programs into a single Workforce Investment Fund. We think that is in line with what we heard the president say the other night in the thinking that many of us have on this committee that we have allowed these programs to proliferate and become unwieldy.

So my question to you is, how do you think this legislation, the way it is put together with that consolidation, can help State and local workforce investment boards in administering these employment and training services? Is it helpful to you?

Ms. NOBLE. Yes. I believe it is helpful because the—separately, programs are intent on whatever the legislation tells them to do. And believe me, the individuals programs are doing their best. And there are many good programs but they are independent. They have to meet whatever their management and their—whatever their guidance and whatever their performance is.

And when you are focused, secondary comes, how do I do that with someone else? Putting programs together based on what that community perceives the needs of their industries and their unemployed population is allows everyone to become focused at the primary goal, which is, what helps us to get jobs?

It is efficient in that each program now has separate procurement, separate contracting services, separate buildings. And while some of those buildings will remain, many can be used across purposes or same purposes.

In Oklahoma, for example, we have been able to reduce some of our local areas by combining—we didn't consolidate them; we

said—the council said, "Find ways to be more efficient." And sometimes that was by having—sharing a director; sometimes it was by having the same fiscal agent; sometimes it is by having the same service provider, and through your contracting process.

But that is, at the State level, asking people—incenting people to do things that were more cost effective. By combining from the top you started in the right direction.

Chairman KLINE. Thank you.

I see my time has expired.

Mr. Miller?

Mr. MILLER. I would like to just follow up on that.

I have two questions, but hopefully we can just follow up on that, Mr. Van Kleunen.

One of my concerns is, Ms. Noble, is in that situation, we have some very difficult populations to train and have them acquire the skills to become employable, and my concern is that you get sort of a more homogeneous board here and then the question is, how do you make sure that those populations continue to be a priority? One, they may be more expensive; two, they may not look like the people that the employers are seeking to employ at that particular moment and all of a sudden they drift down.

And I just wondered if, Mr. Van Kleunen, if you would like to comment on that, and Ms. Noble. But I have a second question, too, so——

Mr. Van Kleunen. Sure. Well, I do think—I mean, there have been some valid critiques of the current system that those who are hard to serve, some systems serve them very well and some do not. I mean, there is flexibility in the current system to do that. There have been things that have not been encouraging systems to actually make that a priority.

I think that ways—by reducing even the funding streams that are already making some of those populations a priority—I think we are going to be moving further into that direction. I think setting some standards and giving some performance measures that actually make it easier for partners to come together, such as Norma has mentioned, to work together to move folks along a career pathway, I think that is where it is that we can bring a bunch of different programs and streams together to——

Mr. MILLER. Ms. Noble?

Ms. NOBLE. When you set the standard as, what is it that we can do to help this number of jobs with these kinds of skills, and then you say, for this population, how do you get that population into that—into those jobs? That is how you get that standard met. You require every pathway, every industry sector to have a way to—you must show, how are you going to do it?

Mr. MILLER. I am going to stop you there. I don't know that that happens in this bill but we will look at it again.

Mr. Van Kleunen, I want to ask you, one of the concerns we have, and the chairman raised this question of what we have heard about all throughout the recession is this mismatch of people and really how do we develop what has become, in some areas, to be the pathways, the models if you develop a linear model where people can plug into the system, acquire additional skills as they acquire additional work experience, and that is kind of a continuum

that helps both employers renew the skills of those individuals and find people along different parts of——

Mr. VAN KLEUNEN. And I think that there are two different—the first part—and I will agree with Norma on this—the first part is to figure out how to get the business community, members of the same industry, different firms—small firms, large firms—to say, "What are the credentials that we are looking for?" We currently do not have a mechanism funded by the federal government, encouraged by current law that actually encourages those partnerships to happen.

We have a lot of those things that have been happening in the system over time and it seems like now is the time to make that a priority practice throughout all 50 States here in the country. And I think that once we do that then we need to figure out how to work with the education and training providers—those who are providing basic education, those who are doing job training, those who are working in the higher education field—to figure out, how do we work with the business community so that we have a variety of people who can get different types of education and support on the job, off the job, and develop a plan over time so that somebody who may take 2 or 3 years to get to that kind of good paying credential, but they are still employed while they are doing it.

It is hard to do that unless we bring industry players together to make that happen, and I think—unfortunately, I think eliminating the programs that are prioritizing some of those populations that we think otherwise won't get served, they are just not going to be part of that solution. And I think that ultimately a company is first interested in training its own workers, which is completely appropriate, and I think that, you know, greater provisions for incumbent worker training makes sense, but it is the public sector's responsibility, government's responsibility for making sure that we are also building a pipeline of new workers so that other folks can actually enter into that industry down the road.

Mr. MILLER. Just quickly, how does the sort of what we see on the horizon here now, the increased use of badges for very specific certifications—how does that play into this and again, employers looking for people with specific skills? And there are a lot of new entities out there awarding badges——

Mr. VAN KLEUNEN. Right.

Mr. MILLER [continuing]. From some of the largest companies in the country to some of the smallest nonprofit organizations. How do you factor these into a modern——

Mr. VAN KLEUNEN. Well, yes. We have a lot of credentials out there. How many of them are actually recognized by industry as valid, I think that we need to create a mechanism at the local or regional level to come to that determination.

It seems that having employers come together by industry to make some of those decisions would help us decide which badges are appropriate, which are not. And in some cases getting—you know, if each employer is working with a different job training provider and they are each coming up with their own credential saying, you know, to serve our community we need to kind of figure out what it is that we have in common here. What is the 85 percent of the skills that we all agree we want when we hire a person

for this particular job title? And if we do that then it creates a more rationale system whereby a range of education training providers can train to that spec.

Mr. MILLER. Thank you.

Chairman KLINE. Thank the gentleman.

Mrs. Biggert?

Mrs. BIGGERT. Thank you, Mr. Chairman, and thank you for holding this hearing.

According to a recent-released report by the Labor Department this month, unemployment soared to 12.1 percent in 2011 for veterans who had served in Iraq and Afghanistan since September of 2001. In my district the hardworking staff at Will and DuPage County Workforce Investment Boards, as well as the great faculty at the College of DuPage and Joliet Junior College, they all proposed a pilot program to connect veterans with the employment opportunities, and it is—I think it is a really good idea and I think we can all agree that there needs more to be done to support our veterans as they transition from military to civilian life.

Could you each talk a little bit about the way in which your ability to serve unemployed veterans could be enhanced by the flexibility offered under H.R. 4297?

Ms. Noble?

Ms. NOBLE. I would be happy to. Thank you.

In Oklahoma we have created the OK—this for Oklahoma, of course—OKMilitaryConnection.com, which ties to our OKJobMatch. And the OKMilitaryConnection.com is a place where veterans and their families can go to find all of the services they—that they need. The job portion is through OKJobMatch, but veterans and their families also need support systems and supportive services, and housing, and counseling. And we believe in Oklahoma that we should now serve those who have served us, and so we have a—we have brought together all of the agencies, both workforce agencies and military or veterans agencies together. The——

Mrs. BIGGERT. Would the flexibility of this bill help at all?

Ms. NOBLE. The flexibility of the bill helps in that all—whether we are talking about Food SNAP or about the veterans employment and training services, it is all in the same umbrella. So that really helps us to meet the needs of the veterans.

Mrs. BIGGERT. Ms. Moran, do you have any comments on that?

Ms. MORAN. Certainly. I believe that as we have local, business-led boards and we are making decisions at the local levels we are able to address those populations that are prevalent in our own communities. I come from a region where we don't have a lot of veterans but we really do focus on trying to help those that return to our community. We have case managers who are quite aware of veteran services, but by working closely hand-in-hand with our businesses we are able to identify those employers that are willing to put them to work and to help to transition them back into the mainstream of our communities.

And again, I think that comes back by having that local flexibility we can help to identify those populations that need our greatest support. Thank you.

Mrs. BIGGERT. Thank you.

Mr. Van Kleunen, I don't know with your program if you get into the——

Mr. VAN KLEUNEN. Well, we certainly work with a lot of folks who work with veterans on the ground. I mean, I think that that is a tremendously great need that we have right now, as you know, because of folks who have been coming back from our wars. I think that while flexibility certainly will help I think the problem isthat there is going to be no way that we know for sure that veterans are going to be well served unless there is some way that we are measuring outcomes relative to veterans.

The problem about this particular proposal, 4297, is that we will no longer have a way to measure whether or not we are serving veterans significantly or not. There is not a—there is not a performance measure that is targeted to their services.

Mrs. BIGGERT. Okay.

Ms. Harmsen?

Ms. HARMSEN. Yes. We do serve many veterans, and particularly those that are returning veterans, and one of the challenges that we have found is there are many programs out there. Every department that we have in our county and surrounding cities have programs for the newly released veterans, and I think that better coordination of those programs would certainly help because I think it—number one, it is confusing for the veteran—the newly released veteran; and number two, with all of those services available, just trying to get them linked into the services that we specifically are providing because we are discussing this issue here is—makes it also challenging and difficult.

So I think that, again, allowing the local areas to really work together to try to identify how to serve that is a good idea.

Mrs. BIGGERT. Thank you. Thank you.

And then I have just one quick question: There has been broad agreement on the need to avoid a one-size-fits-all approach to the workforce development. Are there ways in which the federal government can help to disseminate best practices or help State boards or locals to disseminate ideas that work so others have the ability to coordinate and collaborate? Anybody like to address that, or——

Chairman KLINE. The gentlelady's time has expired. If one of you would like to address that we would love to have the response for the record. Anybody want to take that for the record?

Mr. VAN KLEUNEN. I will say that the Democratic proposal actually does make some provisions for that, particularly on, for instance, on the adult education side, where we are trying to create a national clearinghouse of excellence on some of those issues. So I think that is one area where it is by having some capacity at the national level that we can get practitioners——

Chairman KLINE. Thank you.

Mr. Scott, you are recognized.

Mr. SCOTT. Thank you, Mr. Chairman.

Mr. Van Kleunen, can you tell me how the bills differ on use of community colleges and how flexible they can be in terms of technology and creating jobs that actually exist in the local areas?

Mr. VAN KLEUNEN. Well, the Democratic proposal does include some specific investments particularly targeted at community col-

leges, and it goes to a point that Norma was making earlier, which is that we believe that community college programs that work in partnership with other partners to provide a range of services makes sure that both those who are college ready and those who are still not college ready but want to be going to college to get some kind of technical training have the ability to do so.

And so creating partnership grants where we can bring community-based organizations, folks who are working in unionized industries can work with their local community colleges to develop some pathways over time, I think that that is where it is that we will get some outcomes. And it is different than what has been the typical community college program up until now.

Mr. SCOTT. Do the proprietary or trade schools have a role in this?

Mr. VAN KLEUNEN. Absolutely. I think that, you know, we have not enough capacity to train people for the number of jobs that are open in the economy today, and so I think there is a range of education and training providers who could play a role in solving some of those skill gaps, and that is allowed under both pieces of legislation.

Mr. SCOTT. Okay.

Let me ask any of the members of the panel, what happens to disconnected youth if they don't get job training? What kind of trajectory are they on if they drop out of school and they don't get job training?

Ms. NOBLE. Well, it is happening now, sir. Our young people are not getting—not only are they not getting the skills training that they need, they also are not getting the jobs through just working, which is also a way of getting training.

And as a result we have increased the number of young people who are in the underground markets of, whether it is crime, or just—they are now living at home with you.

Mr. SCOTT. Anybody else want to——

Ms. HARMSEN. I would like to address that, as well. The youth programs, when we have had the—those additional youth dollars to assist with putting the youth to work with those youth summer programs, it has had amazing results for those youth because once they get that first job, they get that first paycheck and they see the value of that, that has given a lot of them just that impetus to turn around and want to get that education that is needed so that they can go further.

Mr. SCOTT. My other committee is the Judiciary Committee, where I serve on the Crime Subcommittee, and these youth are, without the job training, on a trajectory that is disproportionately involved in crime. And therefore, I think since we are going to be on the hook for them anyway we need to make sure we focus them on the right track.

I served on a job training committee way back in the 1980s and we talked—we kind of alluded to it, about the credentials, and the idea was to try to get credentials for every job so that employers looking for people knew what they were getting, but even if it was just a waiter—something like a waiter you could be Class A, B, C, where some might just need to take orders, you might want somebody more qualified, knows something about wines or something

like that, so you can get credentialed—auto mechanic, various levels.

Is there any attempt to get credentials for virtually every job position out there?

Mr. VAN KLEUNEN. So I would say that particularly in this country I don't think that we are looking for somebody to define for employers what the credentials should be. I think that the activity that we should be funding is how it is that we bring employers together by industry to get them to figure out what are the credentials that they are looking for, what are the skills standards that they are looking for?

The Democratic proposal does—both proposals actually talk about that. I think there are actually some greater vehicles to actually achieve that in the Democratic proposal.

There are some opportunities to identify credentials. For instance, some of the things that Norma was talking about that they are doing in Oklahoma, where they are using career readiness credentials, where it is really just kind of a way to certify that folks have received a certain type of basic skill that employers can think, "Okay, this person is ready to take an entry level job or to enroll in a course."

It seems to me that a way we would measure performance and whether or not a State or locality is doing a good job is we actually find out whether or not they are increasing credential attainment. That is a performance measure—a system-wide performance measure in the Democratic——

Mr. SCOTT. I don't want to cut you off, but I am about to run out of time. I would like to just ask a question for the record, because you won't have time to answer it in the time allotted, and that is if you could comment for the record on the effect of funding levels that are in the various bills and whether or not we need more money to get the job done.

Chairman KLINE. The gentleman's time has expired.

If you could take that for the record, Mr. Van Kleunen or others.

Dr. Foxx, you are recognized.

Mrs. FOXX. Thank you, Mr. Chairman.

And I want to thank the members of the panel for being here today, and also send my greetings to Governor Fallin, Ms. Noble, if you will——

Ms. NOBLE. Certainly will.

Mrs. FOXX [continuing]. And I thank Ms. Moran for bringing me greetings from a former colleague, George Daniel, in the State senate. Always nice to have folks here with whom we have connections.

I am really intrigued by some of the comments that have been made by Mr. Miller and some by Mr. Van Kleunen, and I am going to hope to get to respond to those in a moment.

But one particularly I wanted to point out to Mr. Van Kleunen, I assume you are not familiar with the fact that the administration has recommended itself that seven programs be done away with—seven of the 27 we are talking about—and that five of those—five additional programs have not been funded, one of them since 2003, and is the only program that our colleagues on the other side of the aisle have recommended be done away with.

So while you are talking about the blunt instrument of consolidation being a problem, there are already 12 of the 27 that either have been recommended to be done away with by the administration or haven't been funded, some of which for a long time, so they are effectively gone away or could be done away with, it seems to me, without too much—coming about as a result of them.

I wanted to ask Ms. Noble and then also Ms. Moran and Ms. Harmsen if you would respond to this: Ms. Noble, you mentioned that one of the problems with the existing situation is that it over regulates process and that there is very little emphasis on accountability and performance, and that is certainly a major concern of ours and one reason why we are doing what we are doing.

I want to ask you if there are some other examples of ways that the—either the Labor Department, or the Education Department, or any—whoever is administering the program focuses on the wrong things. We have heard you all say the top-down administration, in terms of the development of the boards or the composition of the local boards, but can you give another example of some things that specifically you would like to see changed?

Ms. NOBLE. In terms of performance, I think having the ability to look at impacts or outcomes rather than counting the numbers of people served or the numbers of people in the seat in a classroom. And that is why it has to be really at the regional level, so that you can determine what does that region need?

We have some areas of Oklahoma with 12 percent unemployment and we have other areas of Oklahoma with 3 percent unemployment.

Mrs. FOXX. I read that in your——

Ms. NOBLE. And so regionally we—they have to determine what is best for them. In one area they are talking about really their pipeline in the fourth grade and preparing, and they want to know what you are doing to bring in labor; in the other they are trying to do something different. So looking at impacts, outcomes, and outputs, and being able to do that at the regional level.

Mrs. FOXX. Regional. All right.

Ms. Moran?

Ms. MORAN. I think also it is a focus on having the right outcomes that we measure, and typically in WIA you get measured for the number of people who go through training, and there are WIBs that look like they haven't done a lot. Well, the really effective WIBs have learned how to leverage other dollars, yet we don't get credit for that as a system. And yet, if we want to be innovative and collaborative I think that is what we have to start to look at is the overall system.

Mrs. FOXX. Ms. Harmsen?

Ms. HARMSEN. Yes. Thank you.

I believe that workforce development in and of itself should be recognized as a profession, that there are so many different programs across the board that also understand that their populations need assistance with workforce development, that there needs to be standards for workforce development that need to be set, and I think that the boards have been—very instrumental in bringing together already some of those programs because there is such a need.

You have the local folks that are on your board that care about your community so your boards are already partnering with those programs. But if there were certain standards that we all adhered to for that workforce piece that would be outstanding.

Mrs. FOXX. Thank you, Mr. Chairman.

Chairman KLINE. I thank the gentlelady.

Mr. Hinojosa, you are recognized.

Mr. HINOJOSA. Thank you. Thank you, Mr. Chairman.

I want to thank the panelists for coming to this hearing and participating. I want to ask my first question of Andy Van Kleunen.

In your testimony you indicate that the blunt instrument of program consolidation will do far more human damage than the illness it poses to cure. But given our increasingly diverse workforce, what impact would H.R. 4297 have on the low-skilled workers, minority communities, and disadvantages youth, which have such a high unemployment rate? And also address what it would do to migrant and seasonal farm workers, also those who are limited English proficient, Native Americans, and older workers, populations that desperately need this education and job training programs to improve their lives.

Mr. VAN KLEUNEN. Well, Congressman, I think that you point out just by the list that you have read that we have a great diversity of people who are trying to either stay in our current labor market or get back into our labor market and advance in some way, and I think the concern for many folks in the community, and particularly people who are working with the types of workers that you are talking about, is that some of these folks are going to be higher cost than your average, say, WIA participant, they may take longer to actually advance toward some kind of a credential or a good-paying job than the average WIA participant.

And once you take all those programs and put them into one big pot and you say there is going to be a standard for placement, a standard for wage gains, a standard for credential attainment that we are going to measure across this entire number of people who are served by that pot, those who are going to take longer to succeed are going to be typically not served. It is not in a State's or a locality's interest to actually serve them because it is going to bring their performance measures down. And even today, in the current WIA system, systems that do that do that at their own peril.

It seems to me that we should recognize moving forward that we should set very high standards for accountability but we should reward systems that are actually serving those who are the harder to serve and to give them some credit for what we think will be a great payoff for the worker and for the local community if they succeed in getting a skilled job.

Mr. HINOJOSA. I agree with you.

Why is it vitally important to create career pathways for the adult learners and improve adult literacy in America? I have been working with Congressman Roe on this particular group of adults who have a very low literacy of reading and writing—maybe third grade level—and how difficult it is to retrain them. Give me your thoughts.

Mr. VAN KLEUNEN. Well, this issue about basic skills in our current workforce—I often use the example, in Michigan—when Michigan decided after all of the layoffs in the local economy to give anybody who wanted who had been laid off from a job an opportunity to go back to community college—it was anybody—they found that a third of their dislocated workers—these were folks who had been working 20, 30 years in a skilled job in an industry that was changing—could not even take their first community college course. And those were people who were working.

As you know, we have a lot of other folks who have not been working very well for quite a while. The only way they are going to get a skilled job is if they can get some of that reading and math learning in order to be able to qualify for some technical training.

Mr. HINOJOSA. I agree with you. Those are very important keys and recommendations that you are making.

I want to ask another question of Laurie Moran.

Ms. Moran, you mentioned that our workforce system is far from perfect and in great need of additional resources to assist those job seekers. Tell me, why are support services as—like counseling, transportation vouchers, placement, child care placement services—why are they critical for job seekers?

Ms. MORAN. I think as we look at the different regions of this country it comes back to why it is important that we have to address the local issues of a community. I live in a rural community in Virginia, and when you think about our State and you look at Northern Virginia, the issue there is gridlock.

I laugh and share the example that when you look at my hometown the traffic concern we have is when the one stoplight catches you and it is red. But the difficulty in not having gridlock is that you also don't have public transit to get you to jobs.

So it is important that we—as we look at the barriers that keep people from getting to work that we are able to serve job seekers at all levels. Training is important but we also have to help overcome the other barriers, whether it is transportation, or child care, or elder care, which is a growing concern in this country. We have got to help job seekers to get beyond all of those issues.

Mr. HINOJOSA. Thank you.

My time is expired.

Chairman KLINE. I thank the gentleman.

Dr. Heck?

Mr. HECK. Thank you, Mr. Chairman, and thank you for the opportunity to work on this bill. And also, I thank you again for bringing the field hearing out to my district. I represent Southern Nevada, which unfortunately still has the highest unemployment rate in the nation, so this is obviously a very critical issue.

Thank all the panelists for being here.

We recently held a job fair just last week. We had over 50 employers that had hundreds of open jobs. And as I walked around the job fair and was talking with them about why they had these job openings when we have the highest unemployment rate in the nation they said because when people come in to apply they can't find the person who is ready to go to work. And these were jobs ranging from entry level to—one of them was a six-figure income job that they were at a job fair trying to fill.

So I believe that trying to get this system in place and modified and improved to get these people connected to jobs is critically important.

And I know, Mr. Van Kleunen, you talked about the importance of getting businesses to agree on credentials, and I wholeheartedly agree, but I think other than perhaps trying to make a comparison with the military training, of which there is a national standard, it is going to be very difficult and that probably has to be driven by the local business community of what credential they want to agree on for that local community. I mean, we can't even get two high school diplomas from different States to be equivalent at this point.

So with that, I would like to ask—Ms. Harmsen, you talked about the business owner who joined the WIB board because he said this is the way government was supposed to work. What perspective can local business leaders lend to the boards when deciding where to focus their training dollars and how can State and local boards better engage the business community in these workforce activities?

Ms. HARMSEN. Well, I think one of the—the best way that I can answer that question is just the example that we have used in our county. Because we maintained the business services team even through the time of the recession, during the time of the recession, when it first started, we went from having 2,000 people a month coming into our centers to nearly 7,000 people a month, which was a dramatic, as you can imagine, impact into our centers.

What a lot of my colleagues were forced to do was bring their folks who were out making contact with business into the centers just to address that need in the centers for those job seekers, so we didn't—they didn't have folks out there with—making contact with business.

What we have done is maintain that business services team who keeps that connection with business, and so what we do by maintaining that team is collecting that data and that local, real-time information as to what is going on with those businesses so that then what they have done is they have put together—when I identified and mentioned the Manufacturing Industry Council, that we also put—were part of putting together the Transportation and Logistics Council and part of the Aviation Council in our area, so that that means all these businesses from our local area come together on a monthly basis with WIB involvement, and the WIB works together to convene them, and we find out—the community colleges are there, institutions of higher learning—what are those specific training needs, so that we can then work together with them to design those courses specific to those business needs, and then, of course, the WIB will assist in funding. And I think that is an outstanding way to do that and keep all—many of the tenets that you have put into this bill as far as being that business-led—addressing those needs are met.

Mr. HECK. And I would agree. I think when you have over 50 employers saying that they can't find employees that are ready to go to work that probably they need to have more of an input in how we are trying to set up the credentials and get employees trained.

In the hearing that I—field hearing I previously mentioned we had heard that Southern Nevada lost over 70,000 construction jobs during this recession, primarily because our construction workforce was about 12.5 percent of our total workforce when the national average is closer to 5. And so the question posed to the analyst was, "Do you expect these construction jobs to come back?" to which he said, "No, we will probably never see that level of construction again."

So I turned to a representative of the construction industry and said, "What are you doing to get your workers ready for the jobs that will be here, not necessarily the jobs that were here?" And the answer was a little disappointing, and it was just that, "Well, we just need to spend more money on infrastructure so I can put them back to construction work."

But with that, I mean, there has been a lot of debate about targeted programs.

Ms. Noble, you brought up in your testimony that you felt that there wasn't necessarily need for targeted programs, but how can—give us some examples of how your State and local area would use these flexible funds—improve services to dislocated workers and individuals with limited English proficiency, veterans, or Native Americans.

Ms. NOBLE. Let me take each one of those. For our veterans, for example, we are doing a couple of things. Our education community is working with our employer community and we are actually converting the skills that the veterans acquired while they were in service so that they will apply to the jobs that we do have. We are doing that by having them—the licensing provisions, the ability to test out so that they don't have to repeat a lot of their education.

In terms of our Native American populations, which we have a lot of in Oklahoma, we have joined—they have joined with our other workforce programs by industry. In the health care industry, for example, in the eastern part of our State all of the hospitals now have joined together and determined, what are those steps for each one of them, and both eastern and—both the work——

Chairman KLINE. Sorry to interrupt, but the gentleman's time has expired—the old "ask the question with 10 seconds left trick."

Ms. Fudge?

Mr. FUDGE. Thank you, Mr. Chairman.

And thank all of you for your testimony and certainly what I believe is a genuine concern to improve WIA, so I thank you.

Ms. Noble—and I am going to follow up on some questions that were asked by my colleagues—adult illiteracy is a huge problem in this country. I represent the city of Cleveland, Ohio, where the majority of adults are functionally illiterate. This means that folks are incapable of writing a brief letter or even finding a way, sometimes, to use a bus schedule. And it is not unique to my district.

Adult illiteracy is common in so many areas, and so in your testimony you say that our nation cannot afford to separate education and workforce development because they are one and the same. So my question is, if this is the case, how can States use WIA to ensure that those in need of adult basic education are encouraged to return and to continually use the services provided at a one-stop center?

Ms. NOBLE. Thank you, Congresswoman. I am an educator first. I started my career in education, and so I am a great believer that that is the way out.

Adult education cannot—in my opinion—cannot stand alone because people, one, get focused on getting—I got my ABE, or I got my GED, and they don't see that what I am really looking for is a career. That is why, one, it needs to be together.

The other part is that it is a long process, as Andy talked about. We have to be able, through this joint connection, to have a person work on learning to read but apply that reading, and that is why the system that looks at what is it not just that you know but how do you use what you know? I can then get a job. I can get a job while I am continuing to learn, but the system has to not terminate me before I get there. It has to allow me to get those credentials along the way.

Mr. FUDGE. But how do we get people to use it? How do we get the illiterate adult into the centers? Because that is as big a part of the problem as anything else.

Ms. NOBLE. And part of, if I may, part of the answer is that you don't deliver services just in a center.

Mr. FUDGE. That is a big part of the problem with this bill.

I am going to ask another question, then if anyone else wants to answer that one you may.

Mr. Van Kleunen, back to the veterans issue: The unemployment rate among veterans is higher, obviously, than the national average. Nineteen percent of the more than 36,000 veterans in my district are unemployed. Veterans obviously have served, and many continue to serve, this country honorably.

As members of Congress we must make it a point to help vets whenever possible, and I think we all agree on that—especially when we address their education and employment needs. In your opinion, would consolidating—with this whole consolidation we have been talking about in this bill—would consolidating the Veterans Workforce Investment Program help reduce unemployment among veterans, and what impact do you believe that such a consolidation would have on veterans?

Mr. VAN KLEUNEN. Well, I do think—and again, because this is such an important issue, and I think that if we have to unpack it a bit to see, okay, if you have somebody who has come back as a veteran who is looking for a job, what are the things that we have offered to do for them so far? We have offered to send them to college through the G.I. bill. Many of them are not ready to go to college or not interested in pursuing a 4-year degree; they are looking for some kind of technical training. Some of them actually do have those kind of reading and math challenges that we need to address.

And to go back to your prior question, the way we get folks to—adults, like myself, to increase our reading and math is we don't ask us to sit in a classroom for 6 months, you know, reading books. We figure out how to train us to be able to do a job. That is the research says how——

Mr. FUDGE. But it is time-consuming and goes back to what you were saying——

Mr. VAN KLEUNEN. It is time-consuming——

Mr. FUDGE [continuing]. Penalized for taking on those——

Mr. VAN KLEUNEN. Right. So right. So that is where I think that—so clearly we need to make sure that we have the investment available for folks to do both basic skills and technical training at the same time.

And I just think the other part of it is that our veterans need other things besides training. They also do need some support services——

Mr. FUDGE. Right. But I do want you to answer the question: Does it help or hurt if we consolidate?

Mr. VAN KLEUNEN. And so part of the proposal is that we are now taking support services out of what is a fundable service under what would be the consolidated workforce fund. So those veterans that were looking for supportive services beyond training in order to help them to get back into a job, develop a career path, we have now taken that out as a fundable activity.

Mr. FUDGE. So the answer is, they would be hurt?

Mr. VAN KLEUNEN. It would be more difficult. It would more be difficult——

Mr. FUDGE. I am just trying to get there.

If anybody else wants to answer I have about a minute. I guess I would do either of the questions.

Chairman KLINE. You have about 2 seconds.

Mr. FUDGE. Then I yield back. [Laughter.]

Chairman KLINE. Thank the gentlelady.

Mrs. Roby?

Mrs. ROBY. Thank you, Mr. Chairman.

Thank you all for being here today. And I am going to start with Ms. Noble.

If you would just shed some light on whether or not you feel the current workforce investment system is spending enough money on training, and will eliminating the burdensome sequence of services provision and reducing burdensome requirements for trainers—excuse me, for training providers help increase access to training?

Ms. NOBLE. Okay. Depends on where you live as to whether it is spending enough on training, and I say that because we have areas that—where the workforce board has said, 40 percent, 50 percent must be spent on training. But in those areas where they don't have enough workers they don't want people to be in long-term training; they want people to work and train. And so it is what is going on in that area that should determine what the menu should look like.

Mrs. ROBY. Well, and then what else do you think that the committee could contain in this bill as it relates to that?

Ms. NOBLE. I think training should be encouraged by determining what kinds of and how many credentials and certificates the participants are receiving. That way they can get it through apprenticeships, internships, as well as classroom training and combinations of work-based training.

Mrs. ROBY. Okay. Thank you, Ms. Noble.

Ms. Moran, in your testimony you discuss the specific education and job training needs in your community, citing that 50 percent of job seekers in your area have a high school education or less. Can you describe how your locally driven system would ensure the needs that—of your area are specifically met?

Ms. MORAN. Certainly. Thank you.

Because we have a very active and engaged workforce board that has strong collaboration throughout the community, both with businesses as well as with community college, adult education, and other programs, we work to address those issues that are of critical need. Most of our employers today require, at a minimum, a high school education. So if we can't bring the education level up to at least that level we are doomed before we start.

So we look at how do we work with K-12, how do we work with the community college and higher education, how do we work with training providers, adult education, and we really focus our efforts on that, because it is difficult to get into the skills training without also having the basic educational levels. And I think that is where that local, business-led board has been important.

Mrs. ROBY. And how does this bill, H.R. 4297, offer a step in the right direction to ensure local control and decision making are in place?

Ms. MORAN. This bill does allow for that local control and decision making. It allows for the local boards to determine the amount of training, so as we look at some of the needs that might not be classified as training, whether that would be the literacy or adult education, those decisions would come back to the local boards to decide how much should be training and how much should be allocated for other areas.

Mrs. ROBY. Thank you.

And quickly, Ms. Harmsen, we often hear in Washington that if there is no dedicated federal funding program or funding stream to aid specific populations with employment and training services then this will permit states and locals to skirt their responsibilities in helping those individuals find and retain employment. Can you speak to this issue specifically?

Ms. HARMSEN. Yes. I think that—and I had stated this in my testimony, as well—that we respect our partners. Our partners have a role in each of those specialized populations and that workforce is such an important key issue for each of those specialized populations. And I think that if, again, we are able to identify what the tenets of workforce development should be that those guidelines can be followed to ensure that all of those population's needs are met.

I think that it is coordination together is really what needs to happen with all of the funding. How the workforce dollars go out into each of those different programs is coordination together to say, here are—and that is where I think the local system is so good because it is that direct connection to business that say, here is where the business needs are, here is where we need to train, here is what we need to do, and here is how we can help each of those populations.

Because we know that the members that are on our board live in these areas, as well, and they are concerned about those who are underemployed, those who are receiving assistance and getting subsidized employment and the parolee populations, and that sort of thing. And I think that they are not—they are very concerned—they are very concerned about all of those populations.

Mrs. ROBY. Right. Thank you so much.

Mr. Chairman, I yield back.

Chairman KLINE. Thank the gentlelady.

Ms. Woolsey, you are recognized.

Ms. WOOLSEY. Thank you, Mr. Chairman.

I think one of the things we have to keep in front of us while we are talking about this is one of the major values of WIA is that employer willingness—Ms. Moran referred to willing employers—I mean, willing to what? To train, to support, to hire what populations?

I think it is important that WIA has replaced willingness with expectations—actual expectations and the support systems that will be available using federal funds and measured by outcomes and outputs. I mean, we cannot overlook that one of the reasons we have WIA in the first place is that populations were going underserved, and for us to even suggest using federal funds and not address the underserved and not have a way to measure this is something we cannot allow.

So, Mr. Van Kleunen, one of the populations I am particularly concerned about is the workers with disabilities, and when I say that I mean also—I include recovering substance abusers in that population, of course. And we know, willing employers may not want to deal with substance abusers who are being rehabilitated and could fall off the wagon, or whatever. So, I mean, it is a worry and it is going to take more.

So I believe there is—and you can correct me if I am wrong—there are about 1 million individuals with disabilities and another 35,000 waiting on a list for services, and so my concern is if—what this Republican bill will do if it allows states to divert vocational rehab funds away from individuals with disabilities.

Mr. VAN KLEUNEN. Well, this is one of the parts of the bill that we have not talked about yet. So we have talked a lot about the 27 programs that are federally charged to be put into the consolidated fund, but it does also create an opportunity for states to take a whole other list of programs, including vocational rehab services, to also include them, so it could be a much longer list than 27 within any particular State. And certainly for folks who are living with disabilities or serving people who are living with disabilities this is a great concern precisely because, back to the issue of—these are—for those who are seeking employment it is a—some, for them, a long process.

And the reality isthat there is a great diversity within our disabled community that is currently served by the V.R. program, and to set one standard that we are going to—across all of those clients for employment outcomes is actually not recognizing that there are different folks with different needs within that population. So that current program, as it exists, kind of recognizes those dual purposes of people who are served by V.R.

Ms. WOOLSEY. Right. Could you give us an idea of which services would be at risk if we did this, or is it just getting on the will——

Mr. VAN KLEUNEN. Well, I think that it is a matter—it is as much a matter of breadth as it is—so I think that what will happen is if the vocational rehab services are pulled within to a State's consolidated fund I think that the range of services that are going to be provided to people currently qualified for V.R. is going to be

narrower; I can't say specifically which ones are going to be gone. And it probably is that those that are easier to serve within the V.R. population are most likely to be served as opposed to those who are the harder to serve, even within that particular category.

Ms. WOOLSEY. Thank you.

Ms. Moran, in your testimony you state that we should judge job training programs by their results. And you mentioned that over the past 3 years 8.7 million Americans have used WIA services, a 252 percent increase, and that 55 percent of these workers have found jobs despite the fact that there were four job seekers for every job. That seems to be a pretty good number to me.

Do you think that these results justify scrapping the entire WIA program and turning it into a block grant or would it not be better to fix—maybe making your panels smaller or something?

Ms. MORAN. We believe there have been some good results in this system. We also believe there is always room for improvement.

I don't know that I would refer to saying that we should scrap the entire system but I think we need to look at how to continuously improve the entire system. How do we put together those efforts and programs to build on the successes, to look around the nation at those areas that have been successful and replicate that so that all areas of our nation are having these success levels? But we do believe there have been successful outcomes due to the collaboration and the innovation that has happened at the local level, you know, in present day.

Ms. WOOLSEY. Thank you, Mr. Chairman.

Chairman KLINE. Gentlelady's time has expired.

Mr. Walberg?

Mr. WALBERG. Thank you, Mr. Chairman.

And I thank the panel for being with us today, talking about a subject that is extremely important all across this nation in your districts, your areas, but also in mine.

Ms. Noble, in your testimony you urged the workforce investment system to, and I quote—"manage results, not process." Could you describe for us what a State must currently measure in terms of reporting requirements, how much time this takes, on average, and why you believe it is currently—underemphasizes the performance aspect?

Ms. NOBLE. Currently, we do important things like, one, look after the money to make sure the money is spent right, and that has to be there, but we also——

Mr. WALBERG. That is not a bad idea——

Ms. NOBLE. That is not a bad idea. But also, we do data validation. We spend a lot of time doing data validation. We require almost 100 percent—the—at the local level, that they are spending their time looking and monitoring and going through files that have been put together by case managers, and then the State sends out people to go through those same files by one—and sees how you are keeping those, and counts them again. And then at the State level we monitor ourselves, and then the federal level of regents come in and they—this is just on data validation.

Mr. WALBERG. This is unnecessary redundancy, you would say?

Ms. NOBLE. Yes. Just as one kind of example.

We count how many people go to work. We are under common performance measures in Oklahoma, so ours already are less than others have. But we want to know, did you go to work? Did you receive—did you go to work in an area where you received training? Did you stay in that job 6 months later?

And those are, to me, the common measures that should be—for any program—should be able to tell, did you put someone in training? What were the results of that training? Did they get a job? Did they keep the job? That is what you need.

Mr. WALBERG. Well, in light of that, then how will the performance system set up under this bill, H.R. 4297, improve the accountability of federal funds?

Ms. NOBLE. What we will have on the performance system is all of the programs—right now each program has its separate standards. For example, we were talking about rehab and Andy was correct that rehab currently says you serve those people who are the most—have the most disabilities. Now, if that is what you want to continue then put that in the bill.

When we have fewer people, though, and we have lots of people who have disabilities and who need services, right now those are all referred to rehab. Yes, everybody could serve them. Adult education can serve them; WIA can serve them. But they get siloed, and that is the problem. If you happen to come on the wrong day to one of those siloed programs and I don't have any money you don't get service. Bringing it together allows me to pool the money and provide services to the people in my area that need the service.

Mr. WALBERG. Thank you.

Ms. Harmsen, in your testimony you briefly talk about community colleges, which are having an outstanding resurgence in my district, looking toward real-world issues, including advanced manufacturing and the like. In Michigan we have pioneers in workforce development, like the Lansing Community College, helping job creators access a workforce trained for their specific needs. How would H.R. 4297 help organizations like community colleges participate in federal workforce development programs to educate and train potential employees?

Ms. HARMSEN. Well, I believe that the tenets of the legislation reference that, that we are working together with those community colleges and those institutions of higher learning, and I think that that is absolutely necessary for us to do, because they are in the—I, too, I believe in education.

Education is so very important when you are looking at not only just a job, and I think that that is one thing to think about. When we think about the spill in all of those populations, which I am hearing is such a concern, and it is a concern for us on the ground level as we are serving those populations, because there are some folks who need to come in and just learn how to work, learn how to—I was thinking when someone was talking, I had someone tell me 2 weeks ago in a meeting that one of the biggest concerns they are starting to see is the insurgence of people coming into the centers that are 25 years old who have never worked.

Mr. WALBERG. That is amazing.

Ms. HARMSEN. Holy cow. But the community college piece, I think, so very important in working together. And what we have

seen is our community colleges' ability to be flexible, working with the employers to tailor the programs to what they need, and we love the part—the piece of the bill that talks about being able to directly contract with those community colleges to work with employers, because that has been a remarkable thing that has shown great success in our county, and I know in other WIBs, as well.

Mr. WALBERG. Thank you.

Mrs. FOXX [presiding]. The gentleman's time is expired.

Mr. Loebsack?

Mr. LOEBSACK. Thank you, Madam Chair.

I really do appreciate the hearing today. This is something—I have been in Congress since January 2007 and we have been talking about reauthorization since that time—reauthorization of WIA—so this—I think it is a really critical hearing.

Also, I am very happy that there are some references to sector partnerships in the majority bill. I want to thank Representative Platts for working with me on a bipartisan basis on the SECTORS Act, which, I want to point out, did pass the House unanimously in the last Congress at the end of the last session, the 2010. I also want to thank Chairman Miller and Mr. Tierney for including the SECTORS Act in their Workforce Investment Act of 2012, and I urge the majority to continue to work in a bipartisan manner to produce a bill that can help get really millions of unemployed back to work and, of course, boost our overall economic growth.

As I mentioned, I have been working to move forward this sector partnership for workforce and economic development for a number of years. I really do believe that we need to better organize training and education and bring together all the critical folks in a community around sector partnerships, and higher education, and community colleges. Very, very important. They are, as well, in my district, throughout Iowa, throughout the country. I think it is absolutely critical. Workers, unions, where they might have apprenticeship programs, for example, as well.

And of course, management. Of course, employers that determine how to save and create new industries, how to streamline the system to get people the training they need, the skills that employers want. We are constantly hearing about the skills gap. It is a bipartisan concern, I think it is fair to say.

I do have concerns about the bill and about the consolidation in the bill. I believe we really need to diversify input into workforce development systems through sector strategies because our communities are diverse, and to move forward we are going to need to work together and not divide our communities.

I want to ask each one of you specifically to give a response to me when it comes to sector partnerships what you think about this particular bill and also the Democratic alternative, as far as incorporating the idea of sector partnerships and support for sector partnerships into any reauthorization of WIA that we see moving forward. And I would like to start with Mr. Van Kleunen, if I might.

Mr. VAN KLEUNEN. Well, and obviously to the extent that we are all talking about this concept and this strategy, which really has been developed without the support—direct support from the federal government since WIA was authorized. I mean, this is where the field is way out in front of where we have been with our na-

tional legislation, so let's at least put into legislation moving forward an investment in the very partnerships that up until now some states have developed using some of the 15 percent money, which now has been taken away and is actually is not included back in with 4297.

Let's really make that a standard that we have some States that are doing this and some localities and some boards that are doing this; we have a lot that are not. Why do we not make that a standard that everyone who is receiving funding from the federal government for workforce development that there should be some effort to organize employers by industry with other stakeholders. That should be a baseline expectation. We can't achieve that unless we actually put it into law.

I do think that the Democratic bill actually does that in a number of different ways that we don't achieve with the Republican proposal.

Mr. LOEBSACK. Thank you.

Ms. Noble?

Ms. NOBLE. Sector partnerships, Congressman, are just vital. I will give you three examples.

The Texhoma partnership in Oklahoma, and—which was funded with 15 percent funds—we trained each of our boards in how to do it, and these still exist today. They are very strong. This is Oklahoma and Texas together dealing with what are the important industries? They identified them, built those partnerships, and each of the chambers of commerce contributed. So that is the way you get—you finance some of this.

Some of the best known States in—that I have worked with across the country have modeled after sector partnerships. Boston is important today in its workforce work because of the sector partnership that actually started under the PICK, which is—that shows how old I am. Washington State is doing a lot of avant-garde work, and it is led by its sector partnerships.

We funded in Oklahoma and our—those areas, that is how our tribal nations, which are often separate, that is how they have come together with non-tribal entities. Sector partnerships is industry-leading. The key is industry-leading.

Mr. LOEBSACK. Thank you, Ms. Noble.

We are almost out of time. I would like to submit that question to the other two for the record and get your response, if I might do that, Madam Chair.

And again, I introduced this bill when I did because I had heard from the communities about how important sector partnerships are, so thank you very much.

Thank you, Madam Chair.

Mrs. FOXX. Thank you, Mr. Loebsack.

Mr. Tierney?

I am sorry. Mr. Platts?

Mr. PLATTS. Thank you, Madam Chair. I certainly would be glad to waive my turn behind Mr. Tierney, but I do appreciate the chance to——

Mr. TIERNEY. Don't blow it. [Laughter.]

Mr. PLATTS. Well, Madam Chair, I want to thank you for your efforts in the reauthorization, as well as the full committee chair

and all the members, both sides of the aisle, who understand the importance of this reauthorization and that we not just do it but do it well.

I am going to echo Mr. Loebsack's comments about sector partnerships and I appreciate—that was an issue I was going to address, but as a cosponsor with Congressman Loebsack don't want to repeat on that issue and maybe touch on one that goes, I think, hand-in-hand.

In addition to being the lead Republican with Mr. Loebsack on the sectors partnership, I am the lead Republican with Mr. Donnelly on the America Works Act, which is to then promote the—what has been discussed here to some degree already—the nationally recognized, very portable skill credentials. I know in my district I certainly hear from my employers—mainly manufacturers—and I believe I have seen a number where hundreds of thousands of jobs in the manufacturing community today are empty because employers can't find the skilled labor force to match up to them.

And I have to say, my—personally, my ninth grade son, T.J., who loves working with his hands, his newest endeavor is—in his—one of his classes at school he is getting more exposed to welding, to where now we have a portable home welding unit, where he has begun to heighten his skill level—carefully, I have asked him and reminded him. Yes, we don't want to burn the house down.

But as he was doing it I was thinking that, you know, I am glad to encourage him. I mean, he is in a college prep program but I am glad to encourage that skill as well, because it may be that in the end he decides that he doesn't want to go the college route, and I know today that if he had a welding skill he would be hired like that in a very well-paying job.

And so in Representative Donnelly's bill, that I am the lead R with, with Joe on, is to try to promote that national recognition, the portability.

And I apologize, running in and out, if you have already touched on this, but I know, Mr. Van Kleunen, your association really promotes this idea, I believe. If you want to comment or any of the witnesses on the importance of that portability—not just that we have credentials but the portability of those credentials and how you think that would benefit workforce training and filling these empty positions that are so important to our manufacturing community.

Mr. VAN KLEUNEN. Absolutely, Congressman. I mean, we think that there is room for both nationally recognized, portable credentials so that folks can move around the country. We also think there is also room where it is necessary when there are national credentials that don't necessarily meet the specific needs of the local labor market or the niche that that particular industry is trying to fill, where there is opportunity for those employers to come together to come up with their own skill standards. But we think that having a balanced approach between the two is exactly where we should be going to be making clear both to employers as well as to workers what it is that the skills are that we are expecting.

Mr. PLATTS. And is it fair to say that if you partner the SECTORS Act with this idea of credentialing you really, then, kind of determine, with some that may be nationals, but those partner-

ships in a community, that they may—that partnership will lead to a community-wide credentialing, that they kind of go hand-in-hand?

Mr. VAN KLEUNEN. We think they go hand-in-hand. We think it is the right way to bring people to the table and it is the right way to set a standard that other folks can adopt.

Mr. PLATTS. Okay. Thank you.

Ms. NOBLE. Yes. Our manufacturers, for example, in our State have come to the State councilmen and asked for a—an Oklahoma version of NAM. They buy into the NAM portable skills but they also want some other things because they want to count it different than NAM counts it. And the aerospace community has similar—we have done aerospace studies and we can tell you what skills are needed, from a paint-striper to an engineer.

And to do that, though, it takes a lot of work. But once you do it we can then prepare high school students as well as our engineering students.

And just this week the deans of our private school and public universities—engineering schools—came together with our leading aerospace companies to talk that pathway.

Mr. PLATTS. Great.

Ms. NOBLE. That is what we have got to do in our country.

Mr. PLATTS. Yes. I know I am about to run out of time. And I have seen this personally with my oldest brother, who was trained in—years back in heavy earth-moving equipment, top of his class in the training, graduated, but there were no jobs in that industry anywhere close, and so he got great training through, you know, the loss of jobs going overseas, but if it wasn't—there wasn't a job. So this partnership that we identify the jobs and the skills—together, appreciate all of your efforts.

Thank you, Madam Chair.

Mrs. FOXX. The gentleman's time is expired.

Now, Mr. Tierney?

Mr. TIERNEY. Well, thank you very much.

The prospect of a 9-year-old Platts running around Pennsylvania with a torch ought to get us all unsettled, but particularly if we live in that State and that neighborhood.

On that, thank you. Madam Chairman, I would like to ask unanimous consent to enter into the record about a dozen letters from various organizations commenting on the bill that is before us today and the Democratic alternative.

[The information follows:]

AMERICAN ASSOCIATION OF COMMUNITY COLLEGES
ASSOCIATION OF COMMUNITY COLLEGE TRUSTEES

The Honorable John Kline
Chairman, Committee on Education and the Workforce

The Honorable Virginia Foxx
Chairwoman, Subcommittee on Higher Education and Workforce Training
U.S. House of Representatives
Washington, DC 20515

Dear Chairs Kline and Foxx:

On behalf of the nation's community colleges, we write to thank you for holding a hearing today on reauthorization of the Workforce Investment Act (WIA) and for your leadership on this issue, along with Representatives McKeon and Heck. WIA reauthorization has long been a priority for our associations, and we look forward to working with you as the Workforce Investment Improvement Act (H.R. 4297) progresses through the legislative process. For community colleges, H.R. 4297 improves on current law in some key respects, while other provisions are of concern to our institutions.

Throughout this extended WIA reauthorization process, we have sought to convey the strong belief of our members that community colleges should be considered integral partners in the workforce system at the state, regional and local levels. We hope to continue working with you to incorporate language into H.R. 4297 that specifically provides for a stronger role for community colleges in state and local planning and implementation of workforce investment activities. These efforts must start, however, with ensuring that community colleges remain members of state and local Workforce Investment Boards (WIBs). We understand your desire to streamline the boards' memberships, as our members have also complained of overly-large WIBs. Under the terms of H.R. 4297, however, it would be possible to have boards with no representation from vital aspects of the system, including training providers such as community colleges. As providers of occupational training, adult basic education, postsecondary education and other key services for WIA participants, we believe that community college WIB representation is vital to the system's success and should be required in statute.

As leading training providers in the workforce investment system, the current reporting requirements to maintain eligibility as a training provider have deterred some colleges from making their programs eligible. Particularly problematic is the requirement in current law that institutions must report earnings and income outcomes for all of their program completers, not just WIA participants, in order to maintain eligibility. Continued lack of access to unemployment insurance wage records in some states makes compliance with this requirement difficult, though we are encouraged that H.R. 4297 seeks to improve that situation. We are heartened that H.R. 4297 improves on current law by giving governors more discretion in devising training provider eligibility criteria and directing governors to consider a trainer's performance *with respect to WIA participants* when doing so. We continue to believe that programs offered by public institutions of higher education are subject to more than enough safeguards that they should be automatically eligible so long as other basic requirements are met and sufficient information about the programs is provided to WIA participants, much in the same way that H.R. 4297 makes apprenticeship programs eligible so long as they meet the requirements of the National Apprenticeship Act. We urge you to consider this change.

We remain concerned about the provisions in the bill that would establish an infrastructure fund with contributions from the administrative funds of partner programs. We believe that, ideally, dedicated funds should be provided for this purpose. In any case, a system to bring partner programs together to operate One-Stop Centers should allow for options other than funds being diverted at the state level, such as in-kind contributions.

Community colleges have long supported additional flexibility in the general rule that training be provided to WIA participants through individual training or career enhancement accounts, as they would be renamed by your legislation. We thank you for including the provision that allows for training contracts with institutions of higher education when there is an opportunity to facilitate the training of multiple individuals for in-demand sectors or occupations. Providing training in this fashion to WIA participants better allows community colleges to expand training capacity to meet increased needs. For similar reasons, we are supportive of language in the bill that encourages industry sector partnerships.

We appreciate the intent behind the revamped performance measures to encourage longer-term education and training for WIA participants by allowing state and local systems to "count" current and recent WIA participants that are still enrolled in postsecondary programs or completed them subsequent to their participation in WIA. We hope that changing the measures in this way will, resources permitting, allow more workers to get the education and training they need to attain or retain employment in high-demand occupations.

AACC and ACCT have not historically taken a position on consolidation of the funding streams within WIA and we do not object to the concept of program consolidation *per se* as long as it is done to help program effectiveness and takes into account the particular needs that a given program fulfills. For this reason, we are pleased that H.R. 4297 no longer permits governors to consolidate Perkins Career and Technical Education funds into the Workforce Investment Fund. We have also consistently advocated that federal programs that help people access education and training prioritize those who need that assistance the most. We are concerned that assistance currently targeted to those with the most economic need and other unique characteristics, even with the steps taken in the legislation to address these issues, will be diminished under the structure set out in H.R. 4297, especially given the legislation's removal of overall priority for low-income individuals. While we understand the authorization level for the Workforce Investment Fund is reflective of current appropriation levels, we would urge your continued support for this level of funding throughout the appropriations process.

Thank you for your consideration of our views. We hope that the committee will work on a bipartisan basis to fashion the strongest WIA reauthorization bill possible.

Sincerely,

Walter G. Bumphus
AACC President and CEO

J. Noah Brown
ACCT President and CEO

www.ncil.org

Kelly Buckland
Executive Director

President
Dan Kessler
Birmingham, Alabama

Vice President
Lou Ann Kibbee
Hays, Kansas

Secretary
Patricia Puckett
Decatur, Georgia

Treasurer
Phil Pasquazio
Phoenix, Arizona

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Maureen Ryan
Madison, Wisconsin

Diversity Committee

Chairperson
Stan Holbrock
Pittsburgh, Pennsylvania

Member-At-Large
Mark Derry
Morgantown, West Virginia

Shannon Jones
Topeka, Kansas

Ann McDaniel
Institute, West Virginia

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Bartlesville, Oklahoma

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Region VII
Michelle Krajewski
Kansas City, Missouri

Region VIII
Carol Joan Reynolds
Denver, Colorado

Region IX
Diana Royal
San Francisco, California

Region X
Roger Howard
Boise, Idaho

Congressman John Tierney
2238 Rayburn HOB

Dear Congressman Tierney,

The National Council on Independent Living would like to express our full support for H.R. 4227, Workforce Investment Act of 2012. The Workforce Investment Act (WIA), along with the included Rehabilitation Act of 1973 has not been reauthorized in over a decade, and we sincerely support the introduction of this bill and efforts underway to reauthorize this legislation. We are especially excited that this bill contains provisions creating a new Independent Living Administration, an idea that we know will increase opportunity and independence for millions of Americans with disabilities.

NCIL is America's oldest cross-disability, grassroots organization run by and for people with disabilities. Founded in 1982, NCIL represents over 700 organizations and individuals representing every state including: Centers for Independent Living (CILs), Statewide Independent Living Councils (SILCs), individuals with disabilities, and other organizations that advocate for the human and civil rights of people with disabilities throughout the United States.

CILs and SILCs are particularly dependent on the reauthorization of WIA and the Rehabilitation Act because this legislation governs how they operate, and how efficiently our nation's Independent Living Program is able to provide services. Updating WIA's provisions with the inclusion of an Independent Living Administration will mean a historic investment in Americans with disabilities, not in terms of dollars, rather the structure needed to ensure that people with disabilities can live more independently and better contribute to the greatness of our nation.

NCIL understands how much work it takes to reauthorize WIA, as we have been working hard for years to gain the support of both parties in the House and Senate to address the outdated workforce investment system in the United States. This system critically needs an update because without reauthorization, we are seeing an increasing number of individuals being harmed by the system rather than helped. At this moment when employment and the economy are of such importance to so many Americans, we cannot afford to wait another day to reauthorize WIA. NCIL stands ready as an enthusiastic partner to get this legislation reauthorized, and puts the full weight of our organization behind H.R. 4227.

Sincerely,

Kelly Buckland
Executive Director

(202) 207-0334 (Voice)
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(877) 525-3400 (Toll-Free)

1710 Rhode Island Avenue, NW; 5th Floor
Washington, DC 20036
Email: ncil@ncil.org

GEORGETOWN UNIVERSITY

Georgetown Public Policy Institute

March 8, 2012

Dear Rep. Miller:

I was quite pleased to read the draft of the proposed WIA reauthorization bill that you and your staff have written.

I think your proposal include several major improvements over the current WIA system. Most importantly, it clearly seeks to create a workforce system that is responsive to labor market demand, with its focus on "in-demand" occupations and industries, its emphasis on labor market data, and its support for building industry partnerships and defining career pathways. Other improvements can be found in the proposed performance measures, funding for one-stop operations and emphasis on regional markets.

I strongly urge your colleagues in the House of Representatives and the Senate to give your proposal very serious consideration as they deliberate on the future of WIA and our workforce development system.

Best,

Harry J. Holzer
Georgetown University

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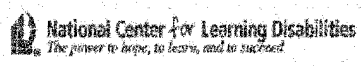

Statement of NCLD Executive Director James H. Wendorf on the Introduction of the Workforce Investment Act of 2012

For Immediate Release
March 20, 2012

Contact: Laura Kaloi
lkaloi@ncld.org
(202) 210-1404

(Washington, D.C.) Today, the Executive Director of the National Center for Learning Disabilities (NCLD), James H. Wendorf, made the following statement regarding the introduction of the Workforce Investment Act of 2012 by U.S. Representatives John Tierney, George Miller, and Ruben Hinojosa. The bill would reauthorize and make improvements to the existing Workforce Investment Act, the law directing Federal job training programs for American workers. NCLD worked with these Representatives to include key provisions to improve job training services for individuals with learning disabilities (LD).

"The Workforce Investment Act of 2012 includes several critical improvements to the services which individuals with learning disabilities would receive under our nation's job training programs. Under this bill, local workforce boards would be required to reach beyond physical access for individuals with disabilities to job training services, and ensure that local one-stop centers coordinate their services with the transition services which students with disabilities receive as they leave high school and enter the workforce. In addition, local boards would have to ensure that the literacy challenges of eligible trainees, including those with LD who have dyslexia and other reading disabilities, are not a barrier to receiving job training services.

As we work to strengthen the contributions of all our nation's citizens, including individuals with LD, effective job training is essential. These changes are important additions and complement the recent announcement by the Obama administration to better focus on academic and transition outcomes for students with disabilities in their monitoring work under the Individuals with Disabilities Education Act. Most importantly, the bill's provisions will lead to better and more effective services for individuals with learning disabilities as they seek to upgrade and maintain the skills they need to obtain and retain employment."

More information about NCLD can be found at www.LD.org.

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STATE DIRECTORS
National Association of State Directors of Career Technical Education Consortium

Association for Career and Technical Education
ACTE

April 13, 2012

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

The Honorable John Tierney
Committee on Education and the Workforce
U.S. House of Representatives

The Honorable Ruben Hinojosa
Ranking Member
Subcommittee on Higher Education & Workforce Training
U.S. House of Representatives

Dear Representatives Miller, Hinojosa and Tierney:

The National Association of State Directors of Career Technical Education Consortium (NASDCTEc), the state and territory leaders of our nation's career and technical education system, and the Association for Career and Technical Education (ACTE), representing America's teachers, administrators and counselors in the field of career and technical education, would like to thank you for introducing H.R. 4227, the Workforce Investment Act of 2012. As you know, the current iteration of the Workforce Investment Act has been due for reauthorization since 2003, and the economy, the workforce system and the needs of individuals and employers have changed dramatically since that time. A reauthorized Workforce Investment Act would go a long way in meeting the current demands of the workforce and business and industry.

We were pleased to see that your bill addressed some of the issues that we in the CTE community are concerned about:

Career Pathways – We support the focus on career pathways, which will better align the programmatic components of workforce development, adult education, and postsecondary education. At the individual level, adult career pathways help adult learners tackle barriers within the workforce system. Many adults are limited in their career opportunities because they lack some postsecondary education, such as an associate degree or an industry-recognized credential, which is increasingly required in the workforce. Adult career pathways will prepare unemployed, underemployed and dislocated workers for jobs by offering flexible services provided by education institutions, community-based organizations, government agencies and business and industry.

Area CTE Centers – We strongly support the inclusion of area CTE centers as eligible entities in multiple grants and programs throughout the bill. There are approximately 1,000 area CTE centers across the country that train hundreds of thousands of students to get the skills they need to work in high-need industries. These schools offer postsecondary certificates and industry-recognized credentials that will qualify individuals, including adults returning to school for training, for high-wage, high-skill jobs. Many area CTE centers serve students who do not live near community colleges, and would be hard-pressed to obtain skills training and credentials elsewhere.

Line Item for Infrastructure Spending – We appreciate the inclusion of a separate line-item to fund the infrastructure needs of the One-Stop System. The current framework is unclear and has led to troubling proposals to siphon off administrative funding from partner programs, like those supported by the Carl D. Perkins Career and Technical Education Act, which would hinder the ability of these already under-funded programs to meet education and training needs both inside and outside the WIA system.

Sector Partnerships – We believe that sector-based, regional industry partnerships will allow businesses, unions, educators and the public workforce system to establish or expand partnerships that help workers train for and advance in high-demand and emerging industries. Sector strategies identify skilled workforce needs within the targeted industry or sector, and develop training and educational strategies using career pathways to ensure employers have the skilled workers to meet their needs. These coordinated decisions help more individuals access the education and training they need for successful careers.

Focus on Training – The primary focus of the Workforce Investment Act should be to provide training services linked to business and industry needs so that individuals are prepared for lifelong careers. Many studies have shown that as the 1998 Workforce Investment Act was implemented, attention was shifted toward core and intensive services and away from training. We believe that a greater focus must be placed throughout the workforce system on increasing skills training to ensure individuals are prepared to succeed in the workforce on a long-term basis. Several changes made in your bill will help to facilitate this training, including allowing direct contracting with education providers, eliminating sequences of services provisions, and requiring states to designate a portion of funding for training.

As this process moves forward, we hope that you and your colleagues in the House of Representatives will work together in a bipartisan manner to reauthorize the Workforce Investment Act this year. We look forward to working with you to advance legislation that meets the needs of individuals and employers in the 21st century economy.

If you have any questions you can contact Nancy Conneely at NASDCTEc (nconneely@careertech.org) or Alisha Hyslop at ACTE (ahyslop@acteonline.org). Thank you for your time and consideration of this matter.

Sincerely,

Kimberly A. Green

Kimberly A. Green
Executive Director
NASDCTEc

Janet B. Bray

Janet B. Bray
Executive Director
ACTE

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

March 23, 2012

The Honorable John Tierney
2238 Rayburn House Office Building
U.S. House of Representatives
Washington, DC 20515

Dear Representative Tierney:

On behalf of National Skills Coalition—a broad-based coalition of business leaders, union affiliates, education and training providers, community-based organizations, and public workforce agencies advocating for policies that invest in the skills of U.S. workers—thank you for your leadership in introducing the "Workforce Investment Act of 2012" (HR 4227). National Skills Coalition believes that this legislation is an important, positive step toward strengthening and modernizing the nation's workforce investment system, and we look forward to working with you to advance legislation that ensures that all U.S. workers and businesses have access to the skills they need to succeed in today's global economy.

National Skills Coalition feels strongly that WIA reauthorization should be driven by three core principles:

1) Enhancing the effectiveness of the nation's workforce investment system in meeting the skill needs of all U.S. workers and businesses, including through expanded access to training services and a greater emphasis on employer engagement to ensure that workers are receiving the skills and industry-recognized credentials that lead to decent jobs in high-growth, high-demand industries;
2) Strengthening accountability within the nation's workforce investment system by ensuring that state and local stakeholders are utilizing increasingly scarce federal resources in the most efficient and effective manner, while also ensuring that the employment and training needs of all participants, including hard-to-serve individuals, are met; and
3) Promoting innovation within the workforce investment system by building on lessons learned and best practices identified over the first decade of WIA implementation and allowing states and localities to take these ideas to scale, while still providing flexibility at the state and local levels to encourage new ideas and respond to emerging economic realities.

The Workforce Investment Act of 2012 makes a number of critical improvements to the workforce development system that reflect these principles. In particular, we support efforts in the bill to:

National office: 1730 Rhode Island Avenue NW, Suite 712, Washington DC 20036 | 202.223.8991 | www.nationalskillscoalition.org

- Accelerate the adoption of industry- and sector-based partnerships. As you know, one of the strongest criticisms of the current workforce system is the lack of meaningful employer involvement. National Skills Coalition has long championed sector partnerships as a means to address these concerns, not simply as a standalone workforce strategy but as a fundamental reorientation of how state and local workforce systems engage with employers and invest in training activities. We are extremely pleased that the Workforce Investment Act of 2012 strengthens the role of sector partnerships within the workforce system by requiring that state and local boards work to develop and expand sector initiatives, and by creating capacity to support the planning and implementation of such initiatives through the inclusion of sector partnerships as one of the strategic objectives that may be supported by the workforce innovation and best practices grants under sec. 171A.
- Increase cross-program alignment through career pathways models. National Skills Coalition believes that any WIA reauthorization bill should support the development of career pathways models that align adult education, job training, postsecondary education, and supportive services at the system level to provide seamless employment and training pathways for individuals, with multiple exit and entry points for workers at various skill levels and stages in their careers. The Workforce Investment Act of 2012 reflects this systemic focus of cross-program alignment, and provides much stronger requirements for state and local workforce investment boards to develop and implement career pathways strategies.

  We also strongly support your decision to include the percentage of program participants achieving "measurable basic skill gains" toward recognized postsecondary credentials or employment as one of the performance metrics under sec. 136(b)(2)(A), which will help support the longer-term training associated with career pathways (while also discouraging "creaming" of low-skilled participants and other hard-to-serve populations). We also appreciate your inclusion of career pathways strategies as one of the strategic objectives that can be supported under the workforce innovation and best practices grants created by sec. 171A; this will provide capacity for states and regional entities to implement or expand career pathways initiatives.
- Implement system-wide measures. National Skills Coalition strongly supports efforts to enhance programs and systems to ensure the broadest possible range of participants can access the broadest possible range of services. However, we recognize that it is often difficult to assess the effectiveness and scope of such efforts because the current WIA performance measures are exclusively focused on individual outcomes. We therefore strongly support provisions under your bill that would require each state to develop quantifiable benchmarks demonstrating annual improvement with respect to program alignment, effectiveness in engaging employers in the workforce system, expanding access to training, and increasing credential attainment. The addition of these new system-wide measures will enable policymakers and workforce providers to more readily assess the impact of workforce development programs and systems in meeting the needs of jobseekers and employers, and help identify promising policies and practices that can be replicated and taken to scale.
- Create a line-item for infrastructure spending and require states to set a minimum percentage of funding for training. National Skills Coalition is pleased to see that the

bill incorporates long-standing recommendations for (1) a separate funding line-item for infrastructure and (2) a requirement that states establish a minimum training percentage as part of their state plans. One of the strongest criticisms of the WIA system has been the lack of training. Unfortunately, the only mandate under current law is that states must maintain the physical infrastructure of the One-Stop centers. With the decline in WIA funding over the last decade -- state formula grants have been cut by about 40 percent since FY 2000 -- states often must choose between using limited resources to maintain the physical infrastructure or provide training. We feel strongly that clearly delineating infrastructure spending coupled with new training minimums will allow states to better prioritize training services over infrastructure costs.

- Emphasize attainment of industry-recognized/recognized postsecondary credentials. National Skills Coalition has consistently advocated for a greater emphasis on credential attainment as a measure of the effectiveness of the workforce system in meeting the skill needs of workers and businesses. Credential attainment is not measured under the current "common measures" system, meaning we have little data on the types or number of credentials being earned through WIA programs, and little incentive to ensure that training programs funded under these programs lead to industry-recognized credentials for participants. We are pleased that the Workforce Investment Act of 2012 restores the individual performance indicator relating to credential attainment. We also strongly support the inclusion of a system-wide indicator relating to credential attainment across core programs, and we further support the inclusion of credential attainment and measurement strategies as one of the three strategic objectives that may be pursued under the workforce innovation and best practices grants created under sec. 171A.

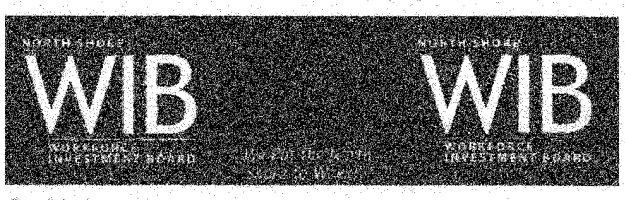
Again, we appreciate your ongoing commitment to investing in the skills of the U.S. workforce, and we look forward to working with you to ensure that any final WIA reauthorization enhances the effectiveness and accountability of the system while continuing to encourage innovation on the state and local level.

Sincerely,

Rachel Gragg, Ph.D.
Federal Policy Director

CC:

The Honorable George Miller
The Honorable Ruben Hinojosa



Dear Friend,

The North Shore WIB is pleased to announce that 6th Congressional District Congressman John Tierney has filed the Workforce Investment Act of 2012, taking a leadership role in modernizing our current workforce system to better serve job seekers and companies in the complex world of economic recovery.

The Workforce Investment Act of 2012 ***streamlines programs*** by, for example, easing access to training designed around critical career pathways within the regional labor market. It ***ensures accountability*** by clarifying performance goals and publicizing actual performance so companies and job seekers had adequate information, and ***promotes innovation*** by establishing a Workforce Innovation Fund which competitively distributes funding for new and promising practice implementation.

The Act also more fully supports our system for Adult Education, which provides academic support to individuals so they can move into training and up career ladders to economic self-sufficiency.

In addition, the Act support Youth workforce development by expanding summer employment and school year internships, easing eligibility criteria, and more fully supporting out of school youth to the age of 24.

Finally, the Act confirms the importance of local, business-led Workforce Investment Boards in overseeing planning and service delivery within regions. WIBs will continue to be appointed by Chief Elected Officials within regions, and include a majority business representation along with education, community organization, economic development, organized labor, and other civic leaders. The role of WIBs will be strengthened to stimulate the development of new and creative workforce initiatives and a larger role in the development of state workforce plans.

The North Shore WIB urges our partners to view Congressman Tierney's announcement and a summary of the legislation on the his website. This information is also on our website at www.northshorewib.com. Your thoughts and advice are welcomed - please let us know what you think! And please thank Congressman Tierney for his on-going support for this very important effort at a crucial time in our economic history.

North Shore Workforce Investment Board
70 Washington Street, Suite 314

CAAL
Council for Advancement of Adult Literacy
1221 Avenue of the Americas - 44th Floor New York, NY 10020 212-512-2362

Gail Spangenberg
President

March 27, 2012

The Honorable John Tierney
U.S. House of Representatives
Washington, DC 20515

Dear Rep. Tierney:

I am writing on behalf of the members of the National Commission on Adult Literacy and as president of CAAL, a national leadership organization dedicated to advancing adult education, adult ESL, and workforce skills in America. Specifically, we wish to express our support for HR 4227, your 2012 bill to reform and reauthorize the Workforce Investment Act of 1998. We deeply appreciate your leadership and that of Representative Miller's and Hinojosa's in developing and introducing this important bill.

We are especially pleased that HR 4227 incorporates large portions of the Adult Education and Economic Growth Act introduced by Rep. Ruben Hinojosa, which builds on the recommendations of the National Commission's *Reach Higher, America* report issued in 2008. While we can always offer suggestions on some of the Bill's provisions, there is much in it that we applaud. We are pleased to support HR4227.

We appreciate that it reflects recognition of Adult Education as a core program; that it shows understanding of both the differences and similarities of adult education and workforce education in its provisions for Title I and II; that it includes strong provisions to support the crucial role of technology, national leadership activities, and comprehensive state planning; that it gives priority and definition to Career Pathways for both Title I and Title II programs, in a way that includes roles for adult education; that it restores an independent National Institute dedicated solely to adults; that it improves the Adult Education Performance Accountability System by recognizing work readiness as an important outcome; and other features.

As I believe you know, other nations are fast outstripping America in boosting the educational levels of their young and working age adults. They are showing consistent decade-to-decade progress in enhancing the education levels of their adult populations, while the U.S. is losing ground. Of the 30 nations in the OECD free market, the United States is the only nation where young adults are less educated than the previous generation.

Further, a huge number of adults need help with their job and college readiness skills upgrading. About 88 million adults face at least one major educational barrier -- no high school diploma, no college, or lack of adequate ESL proficiency -- that limits their access to needed college, job training, and jobs. As *Reach Higher, America* stresses, neglecting the adult population in need of basic education, we also harm the prospects of the next generation. Moreover, one in four working

families in our country is low income, and one in every five children lives in poverty. Parents and caregivers in many of these households lack the education and skills to move into jobs that pay a family-sustaining wage. Adult education can move these people toward the postsecondary education or job training that will help them out of low-wage jobs, and, in the process, improve the learning and employment prospects of their children.

It is well documented that America is losing its place as a world leader in education and becoming less competitive every day, and that we need a strong adult education and workforce skills system to turn back this tide. Yet our existing adult education system presently lacks the resources and framework to prepare adults for the workplace or transitioning to college. HR 4227 is a highly important step in this direction.

Your bill recognizes that if we are to remain competitive in this increasingly globalized economy, we need to reform and grow the Adult Education system to reach massive numbers of adults. We must ensure that once these adult learners are re-engaged in further education, more will be ready for college and job training, successfully complete their degrees or certificates, and end up in jobs or better jobs that will pay them enough to support their families.

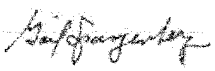
HR 4227 will promote more comprehensive planning, with key stakeholders at the table – including greater involvement of business, workforce, and state agencies as well as adult education to assure that many more adults, both potential and incumbent workers, are better served and moved effectively along to pathways to good jobs and education.

We know that Representatives Foxx, McKeon, and Heck have also written serious bills that attempt to address the need to improve our workforce system. While we have concerns about how they address the Adult Education system, we believe these differences can be addressed as the process unfolds.

The nation needs a workforce system that meets the needs of the 21st Century. We compliment you on your efforts to create opportunity and jobs for our nation's workforce.

We also hope that you and your colleagues will be able to proceed on a bipartisan basis to reform and reauthorize the Workforce Investment Act in 2012. We look forward to working with you to achieve this goal.

Sincerely,



NATIONAL COMMISSION on ADULT LITERACY

Members of National Commission on Adult Literacy

David Perdue, former Chairman & CEO, Dollar General Corporation (Commission Chairman); international businessman

Morton Bahr, President Emeritus, Communications Workers of America

Hon. Gerald Baliles, Director, Miller Center of Public Affairs, University of Virginia; former Governor of Virginia

David Beré, former President and Chief Operating Officer, Dollar General Corporation

Robert Bickerton, Sr. Associate Commissioner of Education for the Commonwealth of MA

Marion Crain, Director, Center on Poverty, Work, and Opportunity, University of North Carolina

John Comings, Director, National Center for the Study of Adult Learning and Literacy, Graduate School of Education, Harvard University

Sharon Darling, President and Founder, National Center for Family Literacy

Samuel Halperin, Senior Fellow and Founder, American Youth Policy Forum

Paul Harrington, President and CEO, Reebok International (currently president and CEO, Eastern-Bell Sports)

George Kessinger, President and CEO, Goodwill Industries International, Inc.

Cheryl D. King (Study Director), former Deputy Secretary and Commissioner of Adult Education and Workforce Development in Kentucky; currently President of Kentucky Wesleyan College

Bridget Lamont, Vice Chair, U.S. National Commission on Libraries and Information Science; past Chair and current member, Illinois Educational Labor Relations Board

Hon. Ray Marshall, Rapoport Centennial Chair in Economics and Public Affairs, University of Texas; former U.S. Secretary of Labor

Gail Mellow, President, LaGuardia Community College

Owen Modeland, President, Correctional Education Association; Supt of Schools, Oklahoma Department of Corrections

Mark Musick, James Quillen Chair, East Tennessee State University; President Emeritus, Southern Regional Education Board (SREB); chaired Board of National Assessment of Educational Progress under three presidents

Karen Narasaki, President, Asian American Justice Center; Vice Chair, Leadership Conference on Civil Rights; Vice President of Coalition for Comprehensive Immigration Reform

Juan Olivarez, President, Grand Rapids Community College, member, Board of National Institute for Literacy

Camille Preus, Commissioner, Oregon Department of Community Colleges and Workforce Development, recent President, National Council on State Directors of Community Colleges; Chair-elect of Western Interstate Commission on Higher Education

Hon. Tom Sawyer, Ohio State Senator; former member U.S. House of Representatives. Author, National Literacy Act of 1991

Hon. George Staples, Director General of U.S. Foreign Service and Assistant Secretary for Human Resources, U.S. Department of State (retired July 2007); former U.S. Ambassador to many countries

Gail Spangenberg (Commission Manager), President, Council for Advancement of Adult Literacy; former operating head, Business Council for Effective Literacy

Andrew Sum, Professor of Labor Economics, Director of Center for Labor Market Studies, Northeastern University

Robert Wedgeworth, Past President & CEO, Proliteracy Worldwide (retired June 2007); former President, American Library Association

William White, President and Chairman, the Charles Stewart Mott Foundation

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Washington Office

ALA American Library Association

April 13, 2012

The Honorable John Kline
Chairman
Committee Education and the Workforce
2181 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Kline:

On behalf of the American Library Association (ALA), I am writing to thank you for introducing H.R. 4297, the Workforce Investment Improvement Act of 2012. We are encouraged that the Committee on Education and the Workforce is moving forward with the reauthorization of the Workforce Investment Act and are particularly pleased your legislation would:

- Authorize public libraries that carry out employment, training, and literacy services as additional one-stop partners under section 121(b)(2)(B); and
- Authorize a library as an eligible provider under section 203(3)(F) of the Adult Education and Family Literacy Education Act.

Libraries play an indispensable role in providing workforce development and adult education and literacy services in communities across the nation. However, we believe that libraries can play an even larger role in helping to meet the needs of our employment and training system if we strengthen the capacity of libraries to obtain support under the Workforce Investment Act.

Accordingly, ALA asks that you also include provisions in H.R. 4297 that would help support the critical role libraries play in improving our workforce development activities. Specifically, ALA asks that you add language to H.R. 4297 to:

- **Ensure the state plan includes a description of how the state board will coordinate workforce investment activities with employment, training, and literacy services carried out by public libraries under section 112(b);**
- **Ensure the local plan includes a description of how the local board will coordinate workforce investment activities carried out in the local area with employment, training, and literacy services carried out by public libraries under section 118(b);**
- **Authorize digital literacy activities under the Adult Education and Family Literacy Education Act; and**
- **Authorize employment resource centers in public libraries to provide access to workforce development activities and information related to training services and employment opportunities as a National Activity under section 242;**

"(3) projects to develop and implement employment resource centers in public libraries to provide unemployed and underemployed individuals access to workforce development activities and information related to training services and employment opportunities which may include –

(A) resume development activities, job bank internet searches, and workshops on career information;

(B) adult education and literacy activities; and

(C) acquisition of database licenses to improve access to career certification activities and licensing practice tests, and to improve workforce skills."

Thank you for your work thus far, as you continue efforts to reauthorize the Workforce Investment Act, we ask that you consider our recommendations to help support the critical role public libraries play in providing access to workforce development activities and information related to training services and employment opportunities.

Sincerely,

Emily Sheketoff

Emily Sheketoff, Executive Director
Washington Office, American Library Association

www.corpsnetwork.org

March 27, 2012

Hon. John Tierney
US House of Representatives
Washington, DC 20515

Dear Representative Tierney:

I am writing on behalf of The Corps Network (TCN) to support HR 4227, The Workforce Investment Act of 2012 to reauthorize the Workforce Investment Act (WIA). We appreciate your leadership on this important issue.

Service and Conservation Corps are a direct descendant of the Depression-era Civilian Conservation Corps, in which three million young men dramatically improved the nation's public lands while receiving food, shelter, education, and a precious $30-a-month stipend. The Corps Network's member Service and Conservation Corps operate in every state and the District of Columbia. Over 30,000 Corpsmembers, ages 16-25, annually mobilize approximately 289,000 community volunteers who in conjunction with Corpsmembers generate 13.5 million hours of service every year.

Today's Service and Conservation Corps provide a wealth of conservation, infrastructure improvement, and human service projects-those identified by communities as important. Some Corps improve and preserve our public lands and national parks. Others provide critical energy conservation services, including weatherization, restore natural habitats and create urban parks and gardens. Still others provide disaster preparation and recovery to under-resourced communities. Finally, Corps improve the quality of life in low-income communities by renovating deteriorating housing and providing support to in-school and after school education programs.

We are particularly pleased that HR 4227 recognizes the important role that youth service and conservation corps play in educating and training youth, particularly disconnected youth, for jobs. Over the course of the last three-plus decades, Corps across the country have helped hundreds of thousands of youth enter the workforce.

The national unemployment rate is now 8.3 percent, but for workers without a high school diploma, it is 12.9 percent (4.6 percentage points higher than those with a high school diploma and 5.6 percent higher than those with some college). In March, the unemployment rate for teenagers was 23.8 percent, more than three times the rate for adult men and women (7.7 percent), 50 percent higher than for blacks (14.1 percent) and more than twice the rate for Hispanics (10.7 percent). Youth unemployment is a problem that threatens the economic stability of families and communities throughout this nation.

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Therefore, we also support your decision not to consolidate Youth Activities funding into an adult-focused Workforce Investment Fund. We believe that there must be a Youth Activities funding stream because in our experience whenever youth and adults are included in the same stream, the adults receive more services than the youth.

Youth unemployment continues to remain unacceptably high. Disadvantaged and out-of-school youth have limited access to job training and education resources that will assist them in finding and keeping jobs. We hope that you, and your colleagues, will proceed on a bipartisan basis to reauthorize the Workforce Investment Act, and in the process further strengthen those provisions that link service and conservation corps more closely to the workforce system and expand the ability of corps to serve disconnected youth.

We look forward to working with you to achieve this goal.

Sincerely,

Mary Ellen Ardouny

Mary Ellen Ardouny
Vice President of External Affairs

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Social Security Relationships
Don Dalski, UT Combined
Avry Porter, CT General
Transition
Mike O'Brien, OK Combined
Veterans
Vito DeSanitis, NJ Blind
Gary Boswell, AL Combined

April 16, 2012

Congressman George Miller, Ranking Member
U.S. Committee on Education and the Workforce
2181 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Miller:

On behalf of the Council of State Administrators of Vocational Rehabilitation (CSAVR), I submit this letter as our record of opposition to many of the major provisions of HR 4297. It is the belief of our membership that such provisions will be detrimental to the access, delivery and employment outcomes for Americans with significant disabilities.

The following represents the CSAVR's list of concerns with HR 4297:

- CSAVR is opposed to the downgrading of the Office of the Commissioner of the Rehabilitation Services Administration (RSA). As the primary agency in the federal government with responsibility for the employment of individuals with disabilities, CSAVR's members believe downgrading this office diminishes the importance of the VR program and devalues the employment of individuals with disabilities.

- CSAVR supports the maintenance of statutory language in the Act concerning the Comprehensive System of Personnel Development (CSPD) and the maintenance of qualified rehabilitation professionals and paraprofessionals. HR 4297 disallows the use of Title 3 training funds for the education of rehabilitation personnel, the long-term result of which will be declining numbers of rehabilitation professionals and a negative impact on the employment of people with disabilities. While we understand the intent of HR 4297 to reduce duplication and acknowledge that staff training could be paid from Title 1 funds, the reality is that there are already insufficient funds to serve VR consumers from Title I funds, and that would have priority over staff training. It is critical that we maintain the option to educate rehabilitation personnel with Title 3 funds, to ensure that consumers have access to qualified staff who are trained to address the unique vocational rehabilitation and counseling needs of individuals with the most significant disabilities, to assist business in attracting highly qualified employees with disabilities, and to ensure positive employment outcomes.

- CSAVR acknowledges that HR 4297 provides an option for the State VR Director to have a seat on the State Board, but it is not guaranteed. In addition, State VR Directors have been removed from local workforce boards. As a mandatory partner in the WIA who represents the unique needs of individuals with the most significant disabilities, it is critical for VR to have a strong voice at the state and local level to ensure the employment needs of individuals with disabilities, including those with the most significant disabilities are adequately represented.

- Since the authorization of WIA in 1998, payment of infrastructure costs have been of concern to all core partners in WIA, due to limited funding. Advocacy for line-item funding for infrastructure has been unanimous from all partners in the workforce system. CSAVR supports State VR agencies paying their fair share of costs in centers where VR agencies are co-located; however, the provisions in HR 4297 afford many opportunities for funds to be siphoned from Title 1 funds, included but not limited to the payment of additional costs over and above infrastructure for the operation of one-stop centers, costs for the provision of one-stop center services to consumers served by core partner programs; although under the ADA, individuals with disabilities should have access to the services of the public workforce system, just as any other individual would have, without assistance from vocational rehabilitation. CSAVR is also concerned with provisions in HR 4297 that allow costs to be based on proportionate use, as this term is not defined. HR 4297 also allows for funds to be taken from mandatory partners who are included in a Unified State Plan as a contribution to the Workforce Innovation Fund. These are a few examples of opportunities to further diminish the limited funding available to provide services to individuals with disabilities who want to work. If significant numbers of employment outcomes were obtained for VR consumers through the public workforce system, the provision of substantial funding for the system would be appropriate; however, this is not the reality. VR counselors are uniquely qualified to work with persons with very significant disabilities. Programmatic accessibility remains a significant problem for people with disabilities who seek services from one-stop centers. Until these issues are sufficiently addressed and resolved, CSAVR opposes the contribution of significant resources to a system that cannot meet the needs of the populations served by vocational rehabilitation.

- HR 4297 repeals funding for the supported employment program. CSAVR understands the intent of HR 4297 to reduce duplication by acknowledging that supported employment can be and is provided under Title 1 of the Rehabilitation Act of 1973, as Amended, negating the need for supported employment funding under a separate title. The caveat is that funding under the separate title does not require state matching funds as is required by Title 1. Thus by repealing Title VI and rolling supported employment into Title 1 that requires a 21.3% state match, services to individuals needing supported employment will be severely limited as significant numbers of states are

already unable to provide the state match to capture all federal funding available to them. Adding additional federal funds to require state match will further reduce service and supports available to individuals with the most significant disabilities who require these services to go to work.

- HR 4297 supports a set-aside of 10% of Title 1 funds for the provision of pre-employment transition services and transition services to students with disabilities. The CSAVR strongly supports the provision of services to transition students to students with disabilities, but has advocated for line-item funding for transition services that does not require state match. Based on the numbers of students to be served nationally, state vocational rehabilitation agencies will not be able to serve this population adequately, without restricting services to adults with disabilities who are seeking employment, due to limited fiscal and staff resources. CSAVR also opposed the prescriptive nature of pre-employment transition services and would advocate for more flexibility for state VR agencies to provide these services. The Unified State Plan process should permit for the establishment of priorities for the unique needs of that state.

- HR 4297 adds a new Section 109 A – Collaboration with Industry. The CSAVR strongly opposes the omission of State VR Agencies as an appropriate entity to be included with others named in this section, to participate or partner in the proposed Collaboration. Since funding for this Collaboration will be provided through grants from Title 1 funding, state VR agencies, as appropriate, should have the opportunity to partner in this initiative.

- As a final comment, the CSAVR wishes to express significant concern with the Performance Accountability system proposed in HR 4297. Section 136 refers to the percentage of program participants who are employed during the first or second full calendar quarter after exit from the program. Assuming that exit from the program refers to case closure, VR does not close persons from the program until they are fully stabilized in employment and have been working a minimum of 90 days. This definition of "exit from the program" is very different from DOL programs and is but one example of CSAVR's concerns with the establishment of common performance measures. A second area of concern is credit given for the attainment of credentials. While CSAVR believes that individuals who obtain recognized post-secondary credentials or secondary school diplomas have better employment opportunities and outcomes, it is the employment outcome and not the attainment of a credential that should be measured for the work programs, such as Vocational Rehabilitation and the One-Stop Centers. While the attainment of credentials seems very appropriate as a performance outcome for Title III of WIA, we do not believe it to be an appropriate measure for Title I

or Title V. In addition, individual choice and services supporting job retention, following a disability, may not include the attainment of credentials.

Common performance measures imply that all things are equal across core programs, and this is simply not the case. Differences in populations served, in the level of significance of disability of individuals served, differences in the comprehensive approach to individualized services, length and the cost to deliver services are drastically different for VR consumers than for consumers served by other core partners in WIA. Unless these differences can be addressed through adjusted levels of performance for the VR Program, or unless common performance measures will not be used to compare systems in any manner. CSAVR has significant concerns with a system of common performance measures.

CSAVR does believe that each system under WIA should have meaningful performance measures that accommodate the unique nature of each of the programs and believes that the current standards and indicators for the Vocational Rehabilitation program are meaningful performance measures for individuals served by VR. Rather than common measures, CSAVR would propose making improvements, as appropriate, to existing performance measures for core partners which are appropriate measures of accountability for each program's authorizing legislation. Modifying data collection systems of core programs to capture data for common performance measures and reporting requirements will cost millions of dollars that could be better spent on improving existing systems for core partners to increase data collection for those elements that make sense, based on authorizing legislation.

Despite the numerous concerns the CSAVR has with HR 4297, we applaud the efforts of Congresswoman Foxx, Congressman McKeon and Congressman Heck to reform and strengthen the workforce investment system. The CSAVR believes that while many of the reforms are warranted and may improve the overall system, they will not benefit the significant number of adults with the most significant disabilities who require specialized services and supports to go to work and who are among the greatest number of unemployed individuals in the country.

The CSAVR is composed of the chief administrators of the public vocational rehabilitation agencies serving individuals with physical and mental disabilities in the States, District of Columbia, and The Territories. These agencies constitute the state partners in the State-Federal program of rehabilitation services provided under the Rehabilitation Act of 1973, as Amended.

Since its creation in 1920, the public VR program has assisted more than 18 million people with significant disabilities in acquiring and maintaining employment. In FY 2010, state VR agencies served approximately 1 million individuals with disabilities, assisting 172,000 in entering competitive employment. Those who went to work earned about $3 billion in wages in their

first year of work and paid approximately $1 billion in federal, state and local taxes, which in 2-4 years will pay back the cost of their VR services. Data collected on the public VR program demonstrates its proven track record for return on investment, despite tremendous challenges with insufficient funding to serve all eligible individuals.

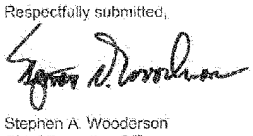
However, VR is much more than an employment program. The program employs qualified rehabilitation professionals to identify the unique strengths, resources, priorities, concerns, abilities, capabilities, interests and informed choices of eligible individuals so that individualized plans can be developed to ensure quality career advancement and ongoing job success, features that can positively influence the bottom line for business, and our nation's economy as a whole. Through a partnership between CSAVR and the 80 VR agencies, we provide business with high quality technical assistance, consultation and talent acquisition access to attract, hire and retain high quality employees with significant disabilities. This service, The National Employment Team (The NET), has resulted in partnerships that have spawned national initiatives with private, state and federal employers – all leading to jobs for Americans with disabilities.

I share this information with you as a conclusion to CSAVR's opposition to HR 4297, based on our belief that the elements of success I speak of, related to the public VR program's success in assisting persons with disabilities with gainful employment, are sorely lacking for this population in the public workforce system.

As a mandatory partner in the Workforce Investment Act of 1998, state VR agencies have made significant strides in partnering with one-stop career centers in a number of areas including, but not limited to, co-location of offices, cross training of staff, contributions to infrastructure funding and working with employers. Progress has also been made in making one-stop career centers physically accessible to persons with disabilities, although in many areas programmatic accessibility is still a significant concern. In addition to our ongoing concerns with programmatic accessibility, the Amendments proposed in HR 4297 will make it more difficult for state VR agencies to partner in WIA and for people with disabilities to have increased employment opportunities through the public workforce system.

Thank you for the opportunity to comment.

Respectfully submitted,



Stephen A. Wooderson
Chief Executive Officer
CSAVR

April 13, 2012

The Honorable John Kline, Chairman
House Committee on Education and the Workforce
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Washington, D.C. 20515

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Dear Chairman Kline:

The Association of Farmworker Opportunity Programs is the national federation of public and private non-profit agencies that provide job training, placement, and other services to our nation's eligible migrant and seasonal farmworkers and, thereby, assisting farmers and ranchers across America. The program has been one of the Department of Labor's federal job training programs since the early 1970s. Under the Workforce Investment Act (WIA) it is authorized at Title I, Section 167.

If H.R. 4297 were enacted, it would have a devastating impact on vulnerable populations and on the agricultural sector's employment training needs. Migrant and seasonal farmworkers are an exceptionally hard-to-serve population with unique barriers that the traditional universal access model would not be able to effectively serve. In fact, it is unlikely that more than a handful of agricultural workers would be served each year, compared to the thousands who reach good careers through the current national program.

Migrant and seasonal farmworkers are a highly mobile population, often moving from state to state during the spring, summer, and fall, calling into question which state has the financial responsibility to serve them. One of the reasons it has always been a national program throughout the various iterations of federal workforce development programs is due to the realization that governors should not be put in the position of arguing over which state should serve mobile farmworkers or of using federal workforce dollars, which are only sufficient to serve less than one in twenty eligible job seekers, to serve individuals who are not residents of their state. In that argument, the farmworker would almost always be the loser.

More importantly, our member agencies have achieved an unparalleled level of success with a part of the workforce that has significant obstacles to obtaining jobs with self and family-sustaining wages. English is often their second language; the average education level is just 7th to 8th grade; they typically lack access to affordable transportation; and they experience an array of health and personal problems stemming from the extreme poverty they endure. Yet, they persevere, usually obtaining good, family sustaining jobs after receiving the tailored training and placement services our members provide.

We are proud to note that since the establishment of the Common Measures, this program has performed at a very high level. In most quarters, the program operates at the highest level of all of DOL's programs that utilize the Common Measures. For example, the most recent report from DOL that

compares programs shows the National Farmworker Jobs Program (NFJP) produced an entered employment rate of 83% and an employment retention rate of 80%. Those are excellent results, especially when we consider that most of the rural areas in which this program operates are still experiencing a debilitating economic recession, with unemployment rates in excess of the national average.

It is for these reasons that we must oppose the elimination of Section 167 of the WIA contained in H.R. 4297.

There is really no way migrant and seasonal farmworkers can be adequately served under a totally state run system of job training, especially one which carries no funding mandate for service to this population. It is well established that the overwhelming majority of One Stop Career Centers relies on mandatory partners, such as the agencies that work with farmworkers, to serve vulnerable populations. While our member agencies are usually co-located in One Stop Centers, it is clear from over 12 years of practice that absent our agencies' presence, this population, with its special needs for flexible work hours and training sites, and culturally and linguistically prepared staff, could not be served. Farmworkers need the active outreach that our members provide, reaching them in remote locations before or after normal work hours and even on weekends.

All of these reasons make it imperative that farmworkers continue to be served by a national program. Therefore we urge you to consider these facts as you re-examine the various parts of H.R. 4297. Without a restoration of the Section 167 program as a separate national program, we must oppose H.R. 4297.

Sincerely,

David A. Strauss, Executive Director

Ernie Flores, President

Cc: Committee members

NCLR
NATIONAL COUNCIL OF LA RAZA

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April 16, 2012

Committee on Education and the Workforce
U.S. House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of the National Council of La Raza (NCLR)—the largest national Hispanic civil rights and advocacy organization in the United States—I strongly urge you to oppose the "Workforce Investment Improvement Act of 2012" (H.R. 4297) and to support the "Workforce Investment Act of 2012" (H.R. 4227). H.R. 4297 would severely reduce the public workforce investment system's ability to provide the targeted and intensive workforce preparation services that both job-seekers and employers need the most.

Latino workers are our economic future: currently 15% of workers, Latinos will account for fully one-third of the labor force by 2050. But there is ample evidence that one-size-fits-all workforce programs have a tendency to 'cream,' focusing limited resources on those workers most ready for employment; less than half of those currently receiving intensive services or training under the Workforce Investment Act are low-income. Without direction to focus on workers who need intensive services—such as Latinos with limited basic education or English skills—our workforce investment system has tended to prioritize a high volume of job placements that require limited intervention. H.R. 4297 would exacerbate this through measures to:

- Eliminate, both by repeal and consolidation, more than two dozen programs serving a range of populations and service needs and form a single workforce investment fund
- Eliminate the priority of service provision for low income individuals and public assistance recipients
- Remove the requirement to include a range of community stakeholders as board members

The goal of improving our workforce investment system's efficiency can be accomplished without tearing it down. An alternative proposal, the "Workforce Investment Act of 2012" (H.R. 4227), would strengthen the system's relevance in the new economy while ensuring that Latino and other groups of high-needs workers receive services through measures to:

- Reward meaningful service to low-skilled individuals attaining "measurable basic skill gains"
- Ensure that services meet businesses' needs by emphasizing sector-based approaches and acquisition of industry-recognized credentials
- Encourage system alignment and efficiency through coordination among programs providing adult education, job training, postsecondary education, and supportive services

NCLR urges you to oppose H.R. 4297, which eliminates crucial workforce programming in favor of light-touch interventions, and to support H.R. 4227, which encourages strategic and intensive workforce development that meets both workers' and businesses' needs.

Sincerely,

Eric Rodriguez
Vice President
Office of Research, Advocacy, and Legislation

April 16, 2012

The Honorable John Kline
Chairman
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 States House of Representatives
Washington, DC 20515

Dear Chairman Kline and Representative Miller:

In advance of the legislative hearing on the Workforce Investment Act (WIA), we are writing to share our serious concerns about many provisions in H.R. 4297, which was recently introduced by Rep. Foxx, Rep. Heck and Rep. McKeon. The bill diverts funding and services from vulnerable populations, undermines the capacity to administer and deliver services and reduces the range of services available to meet the needs of those struggling in the labor market. We are particularly concerned about the creation of a statewide competition for youth grants in place of a youth funding stream for local areas; the elimination of the authority for supportive services and needs-related payments; and the inclusion of a form of super-waiver that allows states to consolidate funds from a list of mandatory and discretionary programs. Although the bill's performance accountability provisions are much improved over the current WIA provisions, it lacks the types of measures, reporting requirements or incentives that would maintain let alone increase the focus on boosting employment and credential attainment outcomes for vulnerable populations.

Of primary concern is the lack of strong safeguards to ensure that vulnerable populations receive services and that appropriate services reach those most in need. In fact, the bill proposes to eliminate an existing safeguard in WIA—the priority of service for low-income adults. Focusing public resources on disadvantaged individuals ensures that appropriate services go to those who need them and who are likely to benefit from them. It is also important to ensure that federal funds have maximum impact. In a tight budget environment, scarce public resources should target low-wage workers, those with low education and skill levels and others who are generally not the beneficiaries of education and training investments made by the private sector.

Research shows that training and intensive services for participants, particularly for disadvantaged adults, are likely to pay off. A recent non-experimental evaluation in 12 states estimated that the average increase in earnings for women who participated in Workforce Investment Act (WIA) Adult training is nearly $2,400 per year, or 26 percent of average

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earnings. The impact for men who participated in WIA Adult training is $1,700 per year, or about 15 percent of average earnings. As WIA reauthorization proceeds, policymakers should not ignore this evidence; rather, they should build on the capacity of the workforce system to improve outcomes for low-income adults, disconnected youth and individuals with barriers to employment.

In our view, the problem is not proliferation of workforce programs. Merely reducing the total number of programs is not the answer. Rather, the solution is to bring to bear the strengths and resources of multiple delivery systems to build pathways to employment and postsecondary success for those in the nation's workforce, particularly low-income adults and youth.

Sincerely,

Evelyn Ganzglass
Director, Workforce Development
CLASP

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April 10, 2012

The Honorable John Kline
Chairman, Committee on Education and the Workforce
U.S. House of Representatives
2181 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Virginia Foxx
Chairwoman, Subcommittee on Higher Education & Workforce Training
Committee on Education and the Workforce
U.S. House of Representatives
2181 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Kline and Chairwoman Foxx:

We are writing on behalf of the businesses, nonprofits, community colleges, and staff that make up the National Job Corps Association to express our opposition to the provision within H.R. 4297 – the *Workforce Investment Improvement Act* that would essentially end our nation's single most effective career preparation program for at-risk youth by consolidating it into a block grant.

While we are not opposed to the efforts of the bill as a whole to streamline the nation's workforce programs to increase efficiencies and accountability, block-granting the Job Corps program is a counterproductive proposal. At a time when Congress is focused on increasing the cost-effectiveness of government, this will make Job Corps more costly and less effective. It is our fervent hope that this specific provision will be removed from this bill.

Job Corps Works
Over 50 years, Job Corps has honed a unique model that has proven successful. Job Corps' model is a public-private partnership that utilizes performance-based competition among private operators to yield the highest return on investment for taxpayers and the best possible outcomes for students. It is the only job training program that employs this market-based model and it is also the nation's most effective training program for the population it serves. These two facts are directly correlated.

The Job Corps model cannot function efficiently or effectively as a state-based program. The program's success relies heavily on interstate enrollments, placements, and competition. A state-based program would also inject more government administration into the program inefficiently shifting more resources to the public side of Job Corps' public-private partnership.

Block-Granting Job Corps Will Increase Spending on Government Administration
Turning Job Corps' funding and administration over to the states would sacrifice efficiencies of scale and necessitate the creation of fifty new state bureaucracies to manage procurements and oversight. For example, instead of the six contracting officers that currently manage Job Corps procurements, there would need to be 50 in the state bureaucracies – more than eight times as

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many! Block-granting Job Corps would unnecessarily increase spending on government administration by tens of millions of dollars, at the expense of taxpayers and the young Americans Job Corps serves.

Block-granting would also increase the program's operational costs. Job Corps currently capitalizes on efficiencies of scale to reduce operating costs, including expenditures on enrollment and placement services, information technology services, energy, supplies, technical assistance, and architectural design services for Job Corps facilities. All of these costs would increase in a state-administered program, costing taxpayers millions of dollars while delivering fewer services to students.

Block-Granting Job Corps Will Reduce Accountability and Student Outcomes
Job Corps' national recruitment and placement system is a foundation of the program's success. It allows eligible youth to enroll in the closest center that offers the trade they are interested in and allows employers in every region of the country to attract qualified skilled workers regardless of their location. Switching to a fractured state system would limit youth to enrolling in the center(s) in their state regardless of whether the center(s) offer trades that interest them. This would unquestionably have a negative impact on enrollments and graduation rates, as these youth, the majority of whom have dropped out of school before, become disinterested and frustrated. Further, placing students only with employers in their state would limit employers' access to qualified workers and lessen the likelihood of graduates being hired.

Further, Job Corps' federally administered performance management and information system allows the performance of operators to be compared and ranked nationally which shapes procurement decisions. This system fosters accountability and competition that results in innovation and better student outcomes. In a state-administered system, each state would consider a Job Corps center's effectiveness in a vacuum. Student outcomes would fall as operators are no longer compelled to improve by competition with their peers.

Block-granting Job Corps is not in the best interests of taxpayers or the disadvantaged youth Job Corps is intended to serve and has been opposed by Republicans and Democrats alike over several decades. We strongly urge the subcommittee to amend H.R. 4297 by removing the provision that would block-grant Job Corps.

Sincerely,

Richard F. Schubert
Chair

LaVera L. Leonard
President

Cc: Ranking Member George Miller, Committee on Education and the Workforce
Ranking Member Rubén Hinojosa, Subcommittee on Higher Education & Workforce Training

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April 16, 2012

The Honorable John P. Kline, Chairman
House Education and the Workforce Committee
2181 Rayburn House Office Building
Washington, DC 20515

The Honorable George Miller, Ranking Minority Member
House Education and the Workforce Committee
2181 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Kline and Ranking Minority Member Miller:

The Education and Workforce Committee has scheduled a hearing for this week on the "Workforce Investment Improvement Act of 2012." (H.R. 4297) and the AFL-CIO and the undersigned labor organizations write to express our strong opposition to H.R. 4297. H.R. 4297 will have major implications on the quality of services being delivered to WIA eligible participants, as well as the overall accountability of the system to disadvantaged persons, dislocated workers, young people, and other populations whose livelihoods have been severely impacted by the Great Recession and continued mass unemployment.

More than ever, securing the future for working families and rebuilding the middle class in our country depends on having access to training, education and skill upgrading, and then receiving the guidance necessary to obtain good jobs that pay well and have family-sustaining benefits and clear career pathways. It must be the primary task of our nation's workforce development system to respond to the economic challenges faced by different groups of unemployed, low-wage and disadvantaged workers, and to do so in a manner that preserves the integrity of the system and provides a voice for workers in the WIA system of workforce investment boards and One-Stop Career Centers. To work effectively, the WIA system must deliver widely available services, be publicly administered, and ensure that particular populations receive services customized to their needs.

HR 4297 would unwisely consolidate categorical programs and combine funding streams into a single Workforce Investment Fund that would give states wide discretion to pick and choose eligible groups of participants according to the ideological predispositions of their Governors. Such consolidation of WIA programs would eliminate the targeting of resources to workers and communities where the needs are greatest. In turn, a single fund of this type would make programs more vulnerable to funding cuts and pit one group of workers against another in competition for limited resources. In particular, it is essential that the funding stream for dislocated workers be separate and that rapid response continues to be a mandated state activity

for which states have adequate resources. Dislocated workers, unemployed persons who have been displaced due to mass layoffs and plant closings, require customized services that build upon their extended work histories and provide the necessary skill training to lead them to comparable employment in their previous industries, or enables them to transfer their skills to new and emerging employment opportunities. The extreme provisions of HR 4297 will inevitably lead to fewer services for dislocated workers and the degradation of services to Native Americans, migrant and seasonal farmworkers, ex-offenders, refugees, older Americans, disadvantaged youth in Job Corps centers, and other deserving groups. Such consolidation of funding streams will undermine the accountability of the entire WIA system, enabling states to manipulate their resources in a manner that will result in the neglect of populations with the greatest needs.

When considering legislation to modernize the federal workforce development system, the U.S. Congress should take action that respects and promotes the full participation of all stakeholders – labor, employers, educators, community groups, and youth organizations – in the planning, design and implementation of programs. Unions and joint labor-management training partnerships have long been beneficial partners in the makeup of skill training institutions, contributing more than $1.5 billion to the nation's economy each year. Substantial union involvement in the governance structures of the federal workforce development system is a long-established and widely accepted practice, stretching back to the composition of Private Industry Councils under the Job Training Partnership Act of 1982.

Organized labor brings a vitally important perspective to workforce and economic development programs at all levels of government and the private sector. Union members are experts in their industries and play a critical role in promoting economic success and career advancement among incumbent workers, job seekers and youth. And in industries such as construction, unions as referral agents or intermediaries in the labor market are often in a much better position than individual employers to know where current and emerging demand will lead workers to employment. As a result, in the construction industry, the best and by far the largest share of training and workforce development occurs in a joint labor-management environment where responsibility is shared equally between labor and management. Between 2002 and 2011, more than 429,000 apprentices received skill training from joint labor-management programs in this industry alone.

Organized labor must be fully represented on WIA boards so that the voices of workers are heard in the decisions that profoundly affect their careers. Such full representation is in accord with the policies of states such as California, where 15 percent of the local boards must be composed of representatives of labor organizations nominated by local labor councils. The wholesale elimination of the mandate for labor representation on state and local boards, as proposed in H.R. 4297, is counterproductive given the strong track record of many of the unions in sponsoring and providing high quality job training. Such a move would undermine the accountability of the entire WIA system and damage its standing in the nation's public policy discourse.

We also oppose the elimination of the Wagner-Peyser Employment Services, as proposed in H.R. 4297. Such proposals usually are justified on the grounds that there is duplication between its functions and those of WIA. However, this view ignores the fact that the Wagner-Peyser system is charged with other duties that are only tangentially related to WIA, such as the certification of the use of foreign labor by employers, and the strong financial and structural relationship between the Employment Service and the State unemployment insurance systems. Financed primarily by the Federal UI trust fund, the Employment Service enforces the UI work test, a key feature of determining ongoing eligibility for UI benefits and, in times of high unemployment, states often reassign Employment Service workers to help with the legally complex function of processing UI claims.

The statewide and public structure of the Employment Service also provides a useful complement to the much more localized and privatized WIA structure. As a statewide entity, the employment service agency has flexibility to work more easily on a regional and interstate basis and to respond quickly to emergencies by shifting staff from one part of the state to another. Its statewide information system, which has become a central component of state, regional and local economic development strategies, avoids costly duplication of multiple local information systems and the hoarding of job orders by local areas. Accountability is facilitated by the fact that the staff located throughout a state is part of a single personnel system in which hiring is based on a uniform standard of competence and skill requirements in order to provide impartial and unbiased service delivery.

The future prosperity and well-being of our society depends upon creating good, family-sustaining jobs and maintaining a world-class workforce that is composed of healthy, highly skilled, and well-educated workers. To meet the challenges of a changing labor market in a globalized economy, our nation needs a cohesive national strategy that links substantial investment in job creation to an improved educational system and greater resources directed towards basic skills instruction, skill upgrading, on-the-job training, and joint labor-management and registered apprenticeship programs.

The wholesale devolution of power over the WIA system to the states, along with the extreme requirements in H.R. 4297 that would hand over control of state and local Workforce Investment Boards to the corporate sector, detracts from our nation's quest to attain competitive advantage in the international economy. Granting more power to the 1% to dictate the career opportunities of unemployed, low-income, and disadvantaged persons does not serve the public interest.

We call upon the U.S. Congress to maintain our nation's commitment to a publicly-operated workforce development system that features balanced representation among all stakeholders who are currently involved in workforce investment boards. The system must place a greater emphasis on providing the sort of skill training that will place participants on the road to high-skill jobs with clear opportunities for future career advancement. That system would benefit greatly from the introduction of regional service strategies in which boards work with labor, business, community, the Employment Services, and labor-management sector

partnerships to identify the growing, high-skill sectors of the regional economy and ensure that workers are prepared for those job opportunities. Boards should also devote greater resources to working with their labor, business and community partners to avert layoffs by advising firms about the options available to maintain employment.

America is searching for national leadership and a way forward toward a better future. We must craft a comprehensive approach to workforce development and the bipartisan political support to back up that commitment.

Sincerely,

American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)
American Federation of State, County and Municipal Employees (AFSCME)
American Federation of Teachers (AFT)
Building and Construction Trades Department, AFL-CIO, (BCTD)
International Association of Machinists and Aerospace Workers (IAMAW)
International Union of Operating Engineers (IUOE)
International Union of Painters and Allied Trades (IUPAT)
National Education Association (NEA)
Service Employees International Union (SEIU)
United Autoworkers (UAW)
United Steelworkers (USW)

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Mrs. FOXX. Without objection.

Mr. TIERNEY. Thank you very much.

I have prospects that this can be done on a bipartisan basis. Ms. Moran and others have mentioned that. And I am a little troubled that the bill was filed a day before we left for 2 weeks in the district, and the hearing is the day after we get back, and now I understand it is going to be marked up within a week. I would hope that we could spend some time and really sift through this.

Let me ask folks, there have been comments favorable to the bill that is before us today, and some that have some concerns on that.

Ms. Harmsen, do you think that there are some provisions in the bill that was filed by Mr. Miller, Mr. Hinojosa, and I that could improve upon the bill that is the subject of today's hearing?

Ms. HARMSEN. I think that the things that I have discussed are really something that should be a focus, is making sure that that local control is local at that local area.

Mr. TIERNEY. And that would be one improvement?

Ms. HARMSEN. Yes, and business. Really focusing on that business.

Mr. TIERNEY. Mr. Van Kleunen, do you see things in the bill that Mr. Miller, Mr. Hinojosa, and I filed that could be, in fact, be improvements on the bill that—today?

Mr. VAN KLEUNEN. Absolutely. I mean, there are a number of areas where I think, around issues of performance measurement, where I would think that it is aligned with the motivations of the Republican bill. I think that we could improve the Republican bill using some of those performance standards.

I think the focus on business and sector partnerships that we have talked about—I think could also be another way that could help to define some of those standards on the local level for it to be meaningful in the business.

Mr. TIERNEY. Thank you.

Ms. Moran?

Ms. MORAN. And certainly I support the bipartisan effort because I think this is such a critical effort, that if we can look at those common areas and those shared principles that we have talked about—the business-led boards, having that local decision and that local delivery system, looking at outcomes that are meaningful and have value to employers and to job seekers—and then working on those areas.

And I think there are some areas that we can look at as to how do we improve? You know, one of the areas from the Democrat bill that I would love to see readdressed is mandating the percentage of money that goes to training and allow that to be a local decision.

Mr. TIERNEY. On that issue, let me ask this: The principles of the National Association of Workforce Boards have for policies state that locally-based, employer-led workforce investment boards are in the best position to develop strategies that align to the need and economic development investments. You go on to say the funds designated to statewide use should align with local or regional workforce and economic development strategies and that locally-based workforce investment boards should have a voice in those funding plans. Correct?

Ms. MORAN. Correct.

Mr. TIERNEY. Now, I hope—we tried to address that in the bill that we filed, but I note in the bill 4297 that is before us today, it gives—it consolidates a number of programs, as we have talked about, it gives additional authority to governors, and in fact, it would allow a governor, if so inclined, to combine to just have one board statewide. Now, you state on page six that you have a—there is a delicate balance between State and local areas. Are you concerned by the prospect that a governor could have just one board statewide, might not strike that—that balance at all, as well?

Ms. MORAN. We would certainly encourage that that balance be between the State and the locals so that you do have local regions that make economic sense and that they are labor market-driven. So we would very strongly encourage that the local areas be engaged in that conversation and decision.

Mr. TIERNEY. Okay. Now, one of your association principles is also that a physical one-stop shop infrastructure be funded separately. Do you see that anywhere in the bill by Ms. Foxx, Mr. Kline—the one we are discussing today?

Ms. MORAN. I have not seen that separate funding at this point.

Mr. TIERNEY. Mr. Van Kleunen, you talked at length about the core reasons that we have a workforce investment bill, ensuring that all workers have access to education and training leading to skills and industry-recognized credentials that will allow them to keep family-supporting jobs—broadly stated on that. You also said that consolidation was not reform. What concerns do you have about consolidation and how it might detract from that original core goal that you set forth?

Mr. VAN KLEUNEN. Well, I think, as I said already, I mean, our concern about if we are not making sure that our publicly funded programs are giving a wide range of workers an opportunity to prepare for the skilled job in a local industry—and again, I believe that that is a role of the public sector. It is a role of industry to say, "Here are the standards that we are looking for." It is the role of the public sector to make sure that anybody who wants to train for that job, whether it takes them 6 weeks or 6 months, that they are going to have an opportunity to do that. And we fear that the consolidation proposal will make it harder for those who are going to be the harder to serve to actually get to that point.

Mr. TIERNEY. And harder still if the board doesn't reflect at least some people from community-based organizations, and in labor, and others.

Mr. VAN KLEUNEN. Absolutely. Because this is a shared process, right? This is something where we are trying to serve both businesses and workers and the broader community. And I think that we need to have all of those stakeholders around the table to figure that out.

Mr. TIERNEY. Thank you all for your testimony today.

Thank you, Madam Chairwoman.

Mrs. FOXX. Your time is expired.

I just want to say that I find it absolutely amazing that the United States of America got to the point it got to, got through World War II and won World War II without a single federal government worker training program, and now the world will end if we don't continue them and in silos.

Dr. Roe, I believe you are next?

Mr. ROE. Okay. Thank the chairman, and thank you for having this hearing, and I am sorry I have had to jump in and out but I have enjoying hearing the testimony, and certainly from the folks down at the grassroots level. And having been an employer for over 30 years and realizing that what you needed to do was to line up the skill set with what you needed as an employer.

And to me, when I visit our—I am in the service industry as a physician, but I have visited a tremendous number of manufactur-

ers in our area and you hear that all over every day. Can you pass a drug screen? And number two, do you have the skills that we need in this job?

And I think, Ms. Noble, you made the best comment I have ever heard. It is really pretty simple. When you train somebody, and when industry comes in and you train these people do they get a job, and then 6 months later do they still have the job? And that is fairly common sense, what you just said, and I think that is the metric that you need, and that is the metric I would need if I am out there looking for work and I go to this one-stop shop and can they train me where I live, as Todd Platts was saying—they did not in that case. They did a lot of great training but there was not job.

And having local community line those jobs up, I see that as the biggest detriment to people finding jobs. It may not be exactly what you want—welding was brought up. We have a 3-year wait in my area for people to get into welding. There is a huge need for it, and yet we are not training enough welders where we are for the jobs we need.

So I would like to hear your comment, Ms. Noble, on that.

Ms. NOBLE. I agree, obviously, that the industry needs must be met and must drive what we do. And that is really the best way to get services, I believe, to everyone. If I have no skills now and I have limited education, if you can show me a way to get those skills and to get some—I may start on the bottom rung but at least I have a pathway that I can get—that is why the State of Oklahoma has invested so much in career pathways that align with industry sector work.

Mr. ROE. Congressman Hinojosa and I have worked on adult literacy together, and that is the least investment we see in Tennessee, it is several hundred dollars to get a GED but has the most bang for the buck. Does this bill address adult literacy—just any of you want to take this—in an adequate enough way? I am asking this as a question, rhetorically.

Mr. VAN KLEUNEN. The bill that we are talking about today, it does allow for the integration of adult literacy services into the larger pot. I think that we have—to your point, and I think we have said it several times, making adult literacy services guaranteed to be available and to be integrated with technical training is absolutely essential. We think the consolidation proposal actually may reduce the availability of adult literacy services because, again, those who require them are often harder to serve clients.

And so I think that is the concern. We want to see them aligned but I don't think we want to see adult literacy services diluted by throwing them into the bigger pot.

Mr. ROE. Okay.

And, Ms. Moran, do you have a comment? I know the people that I really listen to are the people down in the trenches every day that do this job every day. Are we making this easier—will this bill make this easier for you to do your job, to provide the services that you have out there?

Ms. MORAN. I actually believe that the improvements we have been talking about today, the principles we have been talking about, making sure that it is employer-led, that the local areas

have the decisions and are delivering the product will make it easier. Because I think it is difficult to mandate it from the federal government; I think it is difficult to mandate it from the State government. These are local decisions that really need to be responsive to the business environment in the local communities, and that will make it easier for employers and job seekers.

Mr. ROE. And when a business is getting ready to expand or a business is going to move into your community you have to have those things. You have to have a ready, well-educated workforce.

I am going to give you an example right now. In Chattanooga, Tennessee—I don't live there, but Volkswagen is expanding dramatically and they are having to bring workers into that area because they don't have the fully skilled people that they need.

So community colleges, I think, are—make a turn a lot quicker than 4-year colleges and they are able to provide those workforce skills much quicker, and then what you all do, also. But I think the skills gap is the biggest—I think that is the biggest detriment we have in the country. Every employer I have gone to has told me that very thing.

And I yield back my time.

Mrs. FOXX. Thank you.

The gentleman from Tennessee yields back and sets the record for ending before the end of time today. We thank him.

I believe, Mrs. Davis, you are next?

Mrs. DAVIS. Thank you, Madam Chair.

And I appreciate you all for being here. I have to run out for another meeting but I wanted to come back to the question and in some ways identify my comments with Mr. Tierney's in terms of his questions, focusing on consolidation, because that seems to be the biggest difference.

As I have sat here and listened to you all, sounds to me like there is a lot of agreement there and we keep going back and forth between two bills that would suggest to me that actually there are very good issues that are addressed in both. But the one that concerns me is the consolidation and the funding.

One of the things that we know—and if we even go back to No Child Left Behind—you have to disaggregate data. You have to be able to judge whether all people who are part of workforce development have an equal chance of opportunity to be successful in the program—can't guarantee results, but an opportunity to do that. And what I think I have heard you all say in one way or another is that through consolidation, you are going to lose the ability to do that, and that is a very important thing for locals to be able to evaluate.

Is that correct? Did I miss that? And could you speak to that, whoever wants to?

Mr. Van Kleunen?

Mr. VAN KLEUNEN. Absolutely. I think by, again, by putting all of these programs together we have lost the ability to set standards and establish some accountability to make sure that all of those different types of workers are served. And so I think you are absolutely right.

Strategically, it seems that there are a lot of ways that we could figure out some agreement across these two bills, but it is the fund-

ing mechanism that is making it hard for us to figure out how it is that we can actually come up with a way that is going to guarantee that everybody who wants that opportunity can actually train for a job in their local community.

Mrs. DAVIS. Ms. Harmsen, did you want to——

Ms. HARMSEN. Yes. And I agree, it is the funding mechanism. Because I think that we are all concerned about all of those populations that are in our local areas that need to be served. And so I think that we need to make sure that if we are—what we are consolidating is, again, the guidelines over how we are serving those different populations——

Mrs. DAVIS. Do you see, in the bill that we are addressing here today, then, do you see, particularly in 4297, do you see that—I mean, do you have questions about that? Because I think I have heard you say that on a number of occasions. Is that correct?

Ms. HARMSEN. Yes. Because, well, obviously I don't have that 50,000-foot view of what is going on with all of the other programs that may be—because when I read the bill and it was saying that there were programs that were not performing, I don't know that. I do know that—I don't know which programs are non-performing or performing. I do know that WIA has been performing and that we have been partnering with those other programs already, so if there was something that was able to be put in place to ensure, so that, like we are saying, that each of those populations are still serve some mechanism that, however you are consolidating this, I still think it is that concept of the funding for workforce services.

Mrs. DAVIS. Ms. Moran?

Ms. MORAN. And I don't have a magic number of how many programs do we consolidate, collaborate, integrate, whatever the magic word of the day is, but I do think it is critical that the programs come under the umbrella of the workforce investment boards so that we do have consolidated efforts in the work we are doing, so that we are not duplicating efforts, so that we are building upon the strengths of what we need to do——

Mrs. DAVIS. Could you tell me how you think that the bill—the other bill that we are talking about here today—Mr. Tierney and others' bill—could you tell me how—why you think that doesn't do that?

Ms. MORAN. I am not saying that it doesn't do that. What it does allow, and I think what both allow as they look at the programs, is keeping it under the umbrella of the workforce investment board so that we have a common plan, that we have common outcomes.

And by looking at how we consolidate some of the programs or integrate, then I think we also look at how we make investments that have the greatest payback and return on investment for our local communities. So I do think it is important that we have outcomes that are consistent across the board and that we are administered through the workforce investment system.

Mrs. DAVIS. Ms. Noble, would you like to comment, too? Where do you see the problem in trying to bring all this together?

Ms. NOBLE. I think the problem is the lack of a required unified plan. You can have separate programs if they are all driving toward the same goal, and if they are not driving toward the same goal you have what you have now.

And it is not that individual programs are not performing, but they are not performing toward the same end. And the end is that you have jobs that are being filled by people who are acquiring skills.

Senior programs, rehab programs, TANF programs, when we said—when the council said, we want you to focus on programs—your funding toward health services, or—because we had such a tremendous shortage, TANF training said, "We can do that through our contracted work. We didn't consolidate." WIBs took the same approach. They said, we can join together with other WIBs and other kinds of training entities. The rehab, in their plan of the year, could do the—the problem is that it is not mandated.

Mrs. DAVIS. Can I just, really quickly—do you think we can do this but have far fewer resources to do it?

Mrs. FOXX. Mrs. Davis, I am sorry. Your time is up so I can't let you ask any more questions. Thank you.

Mr. Hurt is recognized.

Mr. HURT. Thank you, Madam Chair.

I want to thank you, and thank the committee, and thank the chairman for allowing me to be a part of this hearing today. I want to thank the patrons who have led on this issue and have the bills there before the committee.

And I also wanted to thank the panel for joining us.

I come from rural Southside Virginia. I represent the 5th district of Virginia, and of course, as one of our panelists in particular knows, we have really faced tremendous economic challenges in the southern part of our district in particular, but all across the 5th district. In fact, textiles, furniture, tobacco have been a mainstay for our rural district for centuries, and we have seen over the last 10, 20 years how that economy has changed.

Back in the 1950s, Dan River Mills, which is located—was located on the banks of the Dan River, employed 15,000 people. It was the second largest employer in Virginia after the shipyards in Newport News. Today Dan River Mills does not exist, and I think that that tells a very painful story for Southside Virginia, but it also tells a painful story for so many communities across our country.

In fact, last week, or maybe earlier this week, we had unemployment numbers released for one of our localities in the 5th district and it was at 16 percent. So that is the challenge we face. That is the challenge that I think we are all trying to grapple with here, and workforce training is obviously critical to finding our way towards the future.

I think it is also important to remember that as we struggle with these issues that we are borrowing 40 cents on every dollar we spend and that we are approaching a debt in this country of $16 trillion, which is a tremendous drag on the economy and something that makes it more difficult for our private sector to perform.

And so again, having an effort like this to really focus on those programs that work it seems to me is critical, because at the end of the day what we want is we want full employment in this country, and I think that we probably all agree that we want a balanced budget, and want to have the fiscal responsibility in Washington that has been lacking heretofore.

I am proud, especially, to be here—to be with Laurie Moran who is, as was indicated, is not only the chair of the National Association for Workforce Boards but also is our Danville Pittsylvania Chamber president back in—back home, and I think that her expertise on this issue is welcome.

I guess my question would be maybe—and maybe Laurie could answer first and then anyone who would like to add—Laurie, I guess my question is, is when you look back on the last 15 years and how these programs have affected Southside Virginia in your experience, and as you, in a larger national position, are able to look across the country, can you talk about the—specifically how these programs save jobs—how do they save jobs, specifically, that are in the community, keep them from going other places, and how do we use—how have you all been able to use, as a chamber and as a workforce investment board—use these to attract new jobs, especially in an area where we have had to rebuild an economy and have had some measured success with advanced manufacturing, and the service sector, and so forth?

Ms. MORAN. Certainly. And I would have to confess and tell you, I come from a region of the country that probably didn't do a very well job—very good job when we first enacted WIA, and so it has been a learning curve for our region. But what we have seen in recent years is that our workforce board has placed the employer as the primary customer. We have focused on jobs that are in demand so we tie our training dollars to jobs that are in demand to make sure that people come out of training and get good employment in the community.

We have implemented a business services component to the work that we are doing, and to help employers as well as—but especially employers to navigate through the many programs that are out there right now, because it is difficult and it is confusing, and about the 15th person who calls on an employer with a different type of program to offer to them, the employer throws their hands up in disgust because they no longer can understand it.

So we have really tried to look at a collaborative model in our part of the commonwealth and in our part of the country to make sure that we are serving employers and that we are serving job seekers. And I think what we have today is a much more productive program and system that is helping job seekers and it is helping employers, and we are seeing measurable results as a result of that.

Mrs. FOXX. Thank you very much.

Thank you, Mr. Hurt.

Mr. HURT. [Off mic]

Mrs. FOXX. Thank you very much.

I want to thank, again, the witnesses for taking time—oh, I forgot Mr. Holt.

I tried to give Mr. Tierney twice and then forget you. I apologize, Mr. Holt.

Mr. HOLT. Thank you, Madam Chair.

It is long past time that we reauthorize WIA, and it is a tragedy that this reauthorization process is becoming partisan. The bill we are considering today cuts away at WIA under the guise of improving it.

And some of you will remember that in 1998 the initial authorization of WIA was a model of bipartisan cooperation. I was not in Congress at the time but I was running. I was involved in a campaign as a candidate at that time and I followed the process closely, and remember eminent journalist David Broder wrote a column entitled, "A Leg Up for U.S. Workers," which is exactly what WIA has become.

He also noted that WIA was 5 years in the making and it only became law because of bipartisan efforts by members of Congress at the time. He reported Senator Wellstone and Senator DeWine, opposite sides of the aisle, leaving the floor together. Senator Wellstone turned to Senator DeWine and, according to Broder, said, "Mike, this may not lead—this may not be the lead story tonight on the network news but it is a good piece of work."

We should be modernizing WIA and here we are considering a—what is a partisan reauthorization bill. I really want to thank Representatives Tierney, and Hinojosa, and Miller for introducing a sensible and comprehensible WIA reauthorization bill. You would think we could agree on measuring performance of each kind of activity and program and each kind of worker and prospective worker, and we can't even get that far.

I want to mention two provisions in the Tierney bill that I am particularly interested in. A few years ago I introduced the Online Job Training Act to modernize WIA. It is based on a successful program at Rutgers that gave single mothers computers and Internet access, and people said, oh no, they will misuse it. They will play games. They will walk off with the computers.

No. They were not being served by the traditional system and it worked.

I also want to talk about another provision of the bill. You know, in this day and age our local libraries are job placement agencies. They are playing an important role in helping the public find employment.

And I am pleased that Mr. Tierney's bill includes portions of legislation that I have called Workforce Investment through Local Libraries, the WILL Act. And that is what I wanted to ask you about. Let me start with Mr. Van Kleunen.

Do you know of WIA-sponsored organizations coordinating or working with libraries with regard to workforce activities? And then as time allows, let me ask the others, please.

Mr. VAN KLEUNEN. So, yes. I mean, I think that one of the things that whatever we are doing in the future of WIA is that we need to figure out how to use community institutions that already are in existence whereby we are not forcing everybody to go down to one physical one-stop in order to be able to find out what jobs are available or what services are available to them.

And I think that we have WIA systems throughout the country who are trying to do this with institutions like local libraries. I know in Philadelphia the library system is now playing a big, leading role in adult literacy services and trying to align that with what is going on with job training in the city.

So I think it is an opportunity. I think it is kind of a lesson to a larger goal, which is trying to make sure that we are using our

existing community-based infrastructure as different entry points into our WIA system.

Mr. HOLT. Ms. Harmsen?

Ms. HARMSEN. Yes. We, in San Bernardino County, do work with our libraries. We also work with other areas. We work in some areas, because our county is so big—our county is larger than many States, and so we have to address the needs, when you look at our high desert area and our low desert, very, very different from the looks of our East Valley and West Valley. And so what we have done is gone into those communities, and in some areas we have brought in the technology into the chambers offices or into the—actually into the city hall, they have made an office—provided office space for us to be able to provide services to their—to customers who come in, both business and jobseeker.

Mr. HOLT. Ms. Moran or Ms. Noble, could either of you give specifics of coordination with local libraries?

Ms. NOBLE. Yes. Thank you, Congressman.

The B-talk program was very successfully implemented in our state in that we focused that money to help rural areas get broadband. And because of that—and we specifically planned it so that the workforce community could deliver services through the libraries, because there are libraries all over the state.

And before then our summer programs, for example, for our young people, it would take them 3 hours to go to a center to get the program, where by using the libraries and the infrastructure that was put in place we could do that. When we rolled out our OKJobMatch.com one of the first groups that we went to was to train librarians, and they applauded us because they had done their own survey and found that, as you said, a lot of time is being spent by librarians in helping people not to find a book but to find a job.

Mr. HOLT. Thank you, Madam Chair.

Mrs. FOXX. Thank you, Mr. Holt.

Well now let me say again, I would like to thank the witnesses for coming today, I know on behalf of the chairman and on behalf of the entire committee, for sharing your comments with us and enlightening all of us on issues that you are dealing with on a day-to-day basis. We really appreciate your making the effort to be here and sharing your wisdom and sharing your experiences, some of it for longer times than others, but we appreciate that.

Mr. Tierney, I would like to recognize you for closing comments.

Mr. TIERNEY. Thank you very much.

And my appreciation, also, to all of the witnesses here today. You really did help this panel consider a lot of topics, and your considerable wisdom and experience has been enormously helpful.

You know, we should be able to emulate what we did in 1998, and that is reach a bipartisan bill on this. We all profess to have similar goals; we all understand that that bill, which was created back when unemployment was probably 5 percent or less and when many of the industries and technologies that we talk about today didn't even exist, so there is certainly a need for modernization and a need for us to improve and take the lessons that have been learned over time.

You know, I can see some of the larger issues may be difficult to deal with but I don't think they are insurmountable and I know that streamlining is important to some members, and my colleague to my left, in particular, but I think that also ensuring that all workers—that all workers, whether they are unskilled or lesser educated than others, or whether they are incumbent workers who need additional skills, or people that are very skilled that have been displaced, that all of them get the attention that they need in this bill.

So I think that is a concern about making sure that everybody has access to education and training and that our boards both are informed because of local participation—I think everybody understands we want this to be a business-oriented and majority board, but that we also, I think, would hope that we could make some recognition that perhaps that goal of getting everybody served in the long run might not do as well unless we have representation of others on the board as well, whether those are community-based organizations, or labor, or others, and that we could put that focus on that and come to some resolve on that basis.

We need to make sure not just for the immediate needs of employers, which are important, but also most of our employers understand, even though it may not be their most pressing issue, that we have to have the pipeline down the line ready, and that means with the great diversity that we have here that so many of you spoke about today, that even people that may not speak the language as well as we would like, that don't have the skills that we want or whatever, they need attention and sometimes they need prioritization so that that pipeline of employees is there for us if we want to keep strong and keep competitive.

And so that is why it is important to have the right representation on boards and to have the right protections in our law for the use of money to make sure that it gets placed where it needs to get placed to move those forward.

I think that, you know, innovation is important, and in our bill we tried to make sure there was adequate attention to that, and we have done a lot of things in pilot programs and others over the time. Those best practices ought to be taken up to scale and our bills ought to be able to give attention to that and the flexibility to move in innovative ways so that we can move—do that.

I also think that community colleges were mentioned by a number of our colleagues on both sides of the aisle with adequate emphasis. I think that that is a piece of work that ought to get good attention in this bill. The community colleges have a lot to offer and they can participate in great ways and create, both at the education level and in some respect with the training level, if we get everybody—employers, employees, community people working together with them on that.

I see great potential here and I hope others do, as well. I think all of your comments today were leading us in that direction to show us that we can take either bill as a base and improve it with some aspects of the other, and that hopefully we will be able to find some way to do that. And again, I want to thank you for your comments and your information today.

Thank you, Ms. Chairman.

Mrs. FOXX. Thank you, Mr. Tierney.

I appreciate all my colleagues for being here today and asking their questions, and again, doing their best to bring out information. I agree with you. I think that there are places where we can agree on what needs to be in the bill that we pass. The panel in particular has emphasized local control, flexibility, the need for setting standards, and the need for accountability.

One of the things we are attempting to fix in this bill is the lack of standards, the lack of accountability that has existed in the past, and not only from the GAO report but in just looking at other reports that have been made on existing programs we see almost a total lack of accountability. The American people are really frustrated right now. They are seeing these reports about the GSA; they know that is only the tip of the iceberg; they know that there is tremendous waste in the federal government and they want to see their money being well spent.

They are also frustrated and being unemployed, and being unemployed for long periods of time. We know we have at least 12 million unemployed Americans, and yet we have 3.5 million jobs that need to be filled, and they ought to be filled by well-educated Americans. They ought to help improve our economy.

So how do we meet the need of the employers out there and also help those 12.5 million unemployed Americans get jobs?

The government isn't going to create the jobs. We can create an environment where the private sector can create jobs and we can improve existing programs—we can eliminate poorly run programs and improve the existing programs to help match, again, the unemployed Americans with where there are jobs.

So I do think there are a lot of areas where we can agree. As a former community college president I am always glad to hear the community colleges being emphasized, and I think that we certainly should be utilizing them more.

But I appreciate, again, all of you all for being here today and helping share your expertise, and I look forward to our having a markup on this bill and our—hopefully solving some problems and not just talking about them. I am a big believer in doing things, not just trying to do things.

So thank you all very much for being here.

I thank my colleagues, I thank Mr. Tierney, and the committee stands adjourned.

[Additional submissions of Mrs. Foxx follow:]

April 16, 2012.

Hon. JOHN KLINE, *Chairman;* Hon. GEORGE MILLER, *Ranking Member,*
Committee on Education & Workforce, U.S. House of Representatives, Washington, DC 20515

DEAR CHAIRMAN KLINE AND RANKING MEMBER MILLER: On behalf of Associated Builders and Contractors (ABC), a national association with 74 chapters representing 22,000 merit shop construction and construction-related firms, I am writing in regard to the full committee hearing on the Workforce Investment Improvement Act of 2012 (H.R. 4297). ABC supports this legislation because it will strengthen our nation's workforce development system by creating a more streamlined approach that focuses on businesses' hiring and training needs, which will increase employment opportunities.

According to the Bureau of Labor Statistics, the number of wage and salary jobs in the construction industry is expected to grow 19 percent through 2018, while all industries combined are expected to grow by 11 percent. ABC believes that one of

the keys to attracting new workers and retaining current craft professionals is flexible training programs.

Specifically, H.R. 4297 will enable small businesses, which create more than 65 percent of all new jobs in America, to continue developing training programs and career opportunities. By serving their communities through the local workforce investment boards that would be enhanced by this legislation, business leaders can become more involved in career development programs and serve as an authority on training, skills and job opportunities in their communities.

Additionally, this legislation would eliminate current language in the Green Jobs Act included in the Workforce Investment Act. The current statutory language allows these training grants to be accessed by firms associated with a labor union, effectively barring contractors with employees that chose not to be associated with union training providers from accessing federal training dollars funded by their own taxes. This is grossly unfair to the 86 percent of employees in the construction industry who chose not to be affiliated with a labor organization.

We appreciate your attention to this important matter, and urge immediate passage of the Workforce Investment Improvement Act of 2012.

Sincerely,

GEOFFREY BURR,
Vice President, Federal Affairs.

April 16, 2012.

Hon. JOHN KLINE,
U.S. House of Representatives, Washington, DC 20515.

Re: Support H.R. 4297, the Workforce Investment Improvement Act of 2012

DEAR REPRESENTATIVE KLINE: On behalf of the Associated General Contractors of America (AGC), I would like to thank you for holding the hearing on H.R. 4297, the "Workforce Investment Improvement Act of 2012," which will help reform the nation's job training system by strengthening employer engagement in state and local workforce decisions, as well as giving states and localities more flexibility. A strong and skilled workforce is vital to the nation's economic recovery.

AGC is the nation's largest and most diverse trade association in the commercial construction industry. AGC's 32,000 members include 7,000 general construction contractors, 12,000 specialty contractors, and 13,000 suppliers and service providers, in a nationwide network of 95 chapters. AGC represents both union and open-shop contractors in the building, highway, heavy industrial, and municipal utility sectors of the construction industry.

The construction industry is made up of predominantly small employers. In the past, many employers in the industry have had trouble connecting with local workforce investment systems or workforce investment boards (WIBs) due to the structure of the boards and types of training offered locally. However, H.R. 4297 will strengthen the presence and participation of employers on WIBs, and this increased participation by employers will be a welcomed change to the construction industry. Local employers can ensure local job training will address workforce gaps and better fit local population needs.

The construction industry has many unique workforce demands that differentiate it from other industries. Currently, the industry has the highest unemployment rate of any industry and continues to suffer depression-like conditions. As the economy recovers, baby boomers retire, and the construction industry sees a renewed need for a strong and skilled workforce, H.R. 4297 will be a step in the right direction to offer unemployed construction workers—as well as workers displaced from other industries and veterans—a vital path to the training necessary for them to become a part of the nation's future economic well being.

Sincerely,

JEFFREY D. SHOAF,
Senior Executive Director, Government Affairs.

[Additional submission of Mr. Ross follows:]

Prepared Statement of Dwayne Ingram, Chairman, Workforce Florida, Inc. Board of Directors

Thank you for this opportunity on behalf of Workforce Florida Inc. and the State of Florida to provide comments on H.R. 4297, the Workforce Investment Improvement Act of 2012.

Workforce Florida is the statewide workforce investment board charged with developing strategies that help Floridians enter, remain and advance in the workforce while strengthening the state's business climate. We are proud that Florida has been and continues to be a recognized leader in workforce development. To that end, we offer the following comments for consideration on the Workforce Investment Improvement Act of 2012.

Funding for State-Level Activities

Our primary concern is the proposed reduction in the Workforce Investment Act (WIA) State Set Aside/Governor's Reserve funding. Historically, 15 percent of WIA funding has been available to Governors to pay the cost of state-level administration and to support state workforce innovation. These state set aside funds are essential to allowing Governors maximum flexibility to advance statewide workforce development and economic development priorities.

We strongly recommend the House Education and the Workforce Committee consider leaving intact the flexible 15 percent state set aside for Governors to continue using in innovative ways. Consistent with federal WIA and Chapter 445, Florida Statutes, Workforce Florida's Board of Directors has historically invested the 15 percent state set aside funds in:

- customized projects that respond to both immediate and long-term employment and training needs as well as statewide economic development and strategic priorities;
- incumbent worker training to ensure Florida businesses, especially small businesses, maintain a productive, well-trained and competitive workforce (Worth noting: state law requires that at least $2 million in WIA state set aside funds be used annually for the Incumbent Worker Training (IWT) Grant Program);
- the development and operation of the Employ Florida Marketplace, Florida's online, comprehensive job-matching and labor market information tool for job seekers and employers, which also serves as the case management information system for Florida's workforce system;
- programs targeting special populations who may need additional assistance to overcome barriers to employment; and
- performance incentives for local workforce investment boards.
- development of Employ Florida Banner Centers to support training in high-wage

As a demonstration of the success Florida has had with utilizing state set aside funds in innovative ways, some recent examples include:

- industry sectors that help diversify Florida's economy. In 2008, the International Economic Development Council (IEDC) presented Workforce Florida with an Excellence Award for partnership with educational institutions for the Banner Centers initiative;
- Incumbent Worker Training grants, which are used to bolster skills upgrade training for full-time employees, thus improving business productivity and job retention;
- the Employ Florida Healthcare Workforce Initiative, designed to help Floridians get back to work in a growing economic sector as well as to aid healthcare workers already employed by advancing their careers; and
- specially developed initiatives to support the education and training of:
  –low-income and at-risk youth;
  –people seeking to transition from welfare to work;
  –those receiving unemployment compensation; and
  –those who remain unemployed after exhausting their unemployment benefits.

If there is a change made to the current funding structure, we propose as an alternative to the significant and immediate reduction in state set aside funds from 15 percent to 5percent, Florida proposes a "Hold Harmless" provision that would allow for a graduated implementation of the targeted reduction. This graduated reduction by a small percentage on an annual basis would enable states to make adjustments to statewide programs incrementally until arriving at the Committee's proposed 5percent funding level after a few years. It will be extremely difficult, if not impossible, for state boards to continue to fund additional requirements within the bill at the 5 percent funding level.

Strengthening Business Engagement in State and Local Workforce Decisions

Florida supports the proposed change in state and local board structure that would require business leaders, including those representing in-demand industries, to make up a two-thirds majority on the boards. As Florida has demonstrated, private-sector leadership contributes greatly to our responsiveness to emerging needs and our strong emphasis on efficiency and accountability as well as our ongoing

focus on substantive alignment with economic development priorities. We believe a business-led focus provides strong alignment with the increased emphasis on employers and business services in other sections of the bill.

Furthermore, Florida supports the proposed streamlining that would remove all federal requirements on board membership, with the exception of business and economic development representation and chief elected officials at the state level and business representation at the local level. Providing Governors and chief elected officials the authority to appoint the remaining one-third membership of boards will make the boards more manageable and ensure that the workforce system is demand-driven and focused on training individuals for the jobs of today and tomorrow.

Florida supports the proposal within the bill to create regional approaches by eliminating grandfather clauses in current law that allow certain local areas to remain in place and by repealing automatic designations for areas with a population of 500,000 or more. We agree that Governors should have the authority to designate local workforce investment areas with consideration for existing labor market areas and economic development regions in order to end duplicative and overlapping service delivery areas.

In conclusion, while Florida supports the proposed change in state and local board structure, Florida does not support the proposal to reduce funding for the Governor's Reserve to support innovation. Reductions to state set aside funds risk stifling the innovation and action that have been a hallmark of the workforce system and could result in a solely federally driven workforce development system in lieu of the federal-state-local system that exists today.

We look forward to our continuing collaboration to create an even more effective and efficient workforce system for America. Please contact the President of Workforce Florida, Chris Hart IV, if you have any questions regarding Florida's initial comments on H.R. 4297.

[Additional submission of Mr. Walberg follows:]

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REMARKS OF MICHAEL A. FINNEY

MSF BOARD PRESIDENT & CHAIRMAN, MICHIGAN STRATEGIC FUND

HEARING ON "H.R. 4297, THE WORKFORCE INVESTMENT IMPROVEMENT ACT OF 2012"

WASHINGTON, D.C.

TUESDAY, APRIL 17, 2012

Good morning, Mr. Chairman and Members of the committee. I appreciate the opportunity to provide additional insight on behalf of the State of Michigan into the ongoing, national effort to improve workforce development and the resulting improvement in our nation's economy. I have found it rewarding to be part of the ongoing work to expand opportunities for job creation and I am pleased to report that the State of Michigan is working closely with representatives at the national level to share our best practices and what we have learned from our own efforts to enhance Michigan's workforce.

At issue is H.R. 4297, the *Workforce Investment Improvement Act of 2012*. We all recognize the fundamental changes that have occurred in our economy, and the impact that these changes have had on our workforce. I am encouraged that this proposed reauthorization is attempting to establish innovative and common-sense reforms to improve talent and economic development. As we are all aware, talent, ingenuity, and work ethic are hallmarks of the American economy, and I applaud the national efforts to empower our distinctively skilled and ambitious employers and citizens to be involved in and take an active role in putting the nation's economy back on track.

I heartily support a number of provisions included in H.R. 4297 that would streamline the multifaceted job training bureaucracy that exists today. This streamlining is crucial as we work to expedite the connection of talented workers to existing job opportunities. As included in testimony previously provided by Governor Rick Snyder, Michigan has employed what is called the "Three Cs" approach to tackle this challenge. I strongly believe that by Connecting, Collaborating, and Creating, we can efficiently and effectively link job seekers and employers to drive economic growth. To this end, I support provisions in H.R. 4297 that consolidate 27 existing job training programs that support similar outcomes. While this will be a logistical

challenge to successfully implement, I am encouraged by the potential efficiencies and outcomes that can be achieved.

Employers today are reinventing their businesses and creating new approaches. We need to support their efforts by ensuring that they have access to job seekers with the right skills so they can continue to grow and provide more jobs for our citizens. Our workforce system needs more state and local flexibility to ensure that it meets the needs of today's job creators and seekers. It must be nimble and able to adapt quickly to address market demand. I support the measure to increase state and local flexibility to create and implement programs that best fit the needs and characteristics of our employers and workers. By enabling Governors to appoint one-third of the membership to the state workforce investment board (WIB), this legislation would assure that WIBs are able to collaborate with state agencies and implement a strategic, targeted approach to serve employers and job seekers alike. Further, by allowing the Governor to designate local workforce investment areas, H.R. 4297 will enable states to respond to the dramatic change in the economic landscape between the enactment of the Workforce Investment Act (WIA) in 1998 and today.

Additionally, I strongly support the Committee's efforts to provide flexibility to States and improve the quality of and access to job training. H.R. 4297 removes bureaucratic barriers that prevent job seekers from accessing necessary job training services. I am particularly encouraged by provisions in this legislation that support direct access to training and empower states to determine standards and eligibility criteria for training providers. Like other states, Michigan is working to implement innovative programs and initiatives to solve workforce development challenges. Also, like other states, our challenges in this area contain unique aspects that require tailored solutions. Removing burdensome regulatory obstacles would allow states to use approaches suited to the needs of our employers and job seekers to develop the robust workforce we know we can and must achieve.

As Michigan works to implement effective policies to deliver results for both employers and job seekers, I look forward to being able to provide additional recommendations based on experience to enhance this already innovative legislation. I strongly believe the following concepts will help improve H.R. 4297 even further:

First, I would strongly encourage the reconsideration of the proposal to reduce funding that Governors may reserve in WIA Title I formula funding for statewide activities. The proposed reduction from 15 percent to 5 percent will result in less funding for required activities as well as innovative programs directed toward employer-driven, in-demand activities. As Governor Snyder testified in February, bipartisan support exists amongst Governors that redirecting funds away from statewide activities would be detrimental to efforts to advance innovative workforce development initiatives. This reduction would also jeopardize enactment of successful strategies to support increased communication, coordination, and collaboration between in-demand industries and the workforce investment system, all of which require discretionary funding at the state level. Flexibility is extended to States in a number of areas in H.R. 4297, and it is my hope that this same flexibility would be applied to Title I discretionary funding.

Second, with anticipated outcomes of this proposal including greater recognition and focus on the needs of employers, I would also like to encourage the specific inclusion of Incumbent Worker training as an

approved and financially supported tool of this effort. We are all working together to support our employers and our workforce. In this time of great technological change, we must recognize that as employers update their operations, the skills of workers must also be updated. It is much less costly, in financial and human terms, to help these workers upgrade their skills and retain their positions than it is to replace them with other workers. Unfortunately, continued changes in regulation and the emphasis on unemployed or underemployed workers limits the ability of states to provide assistance to Incumbent Workers and avert layoffs. Michigan has demonstrated experience where such Incumbent Worker training has promoted existing staff and created additional staffing need where we were able to assist in the filling of open positions with existing program participants.

Third, this legislation recognizes that with flexibility, we must also ensure accountability. Measures that focus on outcomes, including workforce employment and responsiveness to market needs, should be required to ensure that results are achieved. I would recommend that indicators of performance support innovation and allow states the flexibility to implement programming to meet local and regional economic demands. As Governor Snyder testified in February, examples of demand-driven, meaningful measures for the workforce system include:

- Number of Training Modules Created for Specific Employers or Groups of Employers: The purpose of this measure is to capture the level of partnerships occurring between workforce development, economic development, educational, and employer partners resulting in the creation of demand-driven training.

- Number of Industry Recognized Credentials Issued: The purpose of this measure is to quantify how many employer valued diplomas, licenses, certificates, or degrees are issued through the workforce system.

- Percentage of Jobs Filled: The purpose of this measure is to track the percentage of jobs that the system is able to fill for employers who request assistance with finding qualified workers.

- Employment Rate of Individuals Receiving Training: The purpose of this measure is to quantify the percentage of individuals who receive demand-driven training and are able to obtain a family-sustaining job upon completion of training.

- Average Wages of Those Receiving Services: The purpose of this measure is to track the resulting wages of individuals who received services from the system.

Finally, I would strongly encourage the establishment of an extended benchmark period as these innovative and critical changes are implemented. We are proposing transformative new approaches to long standing, often prescriptive programs. Extending the benchmark period to three years prior to reducing the funding to states failing to meet performance standards for two consecutive years would give states the time to implement the changes our workforce and employers so urgently need and to update and modify programs and reporting systems in order to meet new performance standards.

I thank the Committee for the opportunity to provide comments today and applaud the work that has been done thus far on such important legislation. I look forward to working with Committee members and staff as the final legislation is drafted.

Michael A. Finney
MSF Board President & Chairman
Michigan Strategic Fund

[Additional submissions of Mr. Miller follow:]

Prepared Statement of Richard T. Foltin, Esq., Director of National and Legislative Affairs, Office of Government and International Affairs, American Jewish Committee

From its founding in 1906, the American Jewish Committee (AJC) has been a strong voice in support of fair and generous treatment of immigrants, participating actively in many of the major immigration debates of our time. AJC continues to reaffirm its commitment to fair and generous immigration policies, as fundamentally good for the United States and consistent with Jewish values. According to Jewish tradition, "strangers" are to be welcomed and valued, as we were once "strangers in the land of Egypt." The Torah tells us: "The strangers who sojourn

with you shall be to you as the natives among you, and you shall love them as yourself; for you were strangers in the land of Egypt" (Leviticus 19:33-34).

As American Jews, we recall how our parents and grandparents made their way to this country seeking a better life, often arriving without speaking even a word of English. We know that the American Jewish community has prospered because of all that this country has offered us, which included programs that taught English and helped them to integrate, and that same opportunity should be available to new generations of immigrants as well.

We support the Workforce Investment Act of 2012 (H.R.4227) because each day in our congregations, service programs, health-care facilities, and schools we witness the human consequences of the lack of investment in new Americans. As the English language learner (ELL) population continues to grow, it is critical that Congress support English language acquisition and integration. According to the Census Bureau, more than 19% of the population (54.8 million) speaks a language other than English at home. In spite of this fact, there continues to be one- to three-year waitlists for English literacy education in many areas. This legislation acknowledges that immigrants want to learn English, become citizens, and participate fully in their adopted country, but are frequently unable to do so because the programs they need are underfunded or non-existent.

These new immigrants deserve the opportunity to succeed, regardless of the outcome of current immigration debates. We support policies and measures which honor our heritage as a country that welcomes immigrants. We must ensure that we continue to be a nation that embraces newcomers and facilitates their integration into our society as full and equal partners. That is why we urge you to support the provisions of the Workforce Investment Act that encourage adult English language education, which would go a long way to help with immigrant integration and bolstering America's role as a leader in the competitive global economy.

Thank you for considering our views on this matter.

Prepared Statement of the Center for Law and Social Policy

CHAIRMAN KLINE, REPRESENTATIVE MILLER AND MEMBERS OF THE COMMITTEE: Thank you for the opportunity to submit written testimony for the April 17th hearing. CLASP develops and advocates for policies at the federal, state and local levels that improve the lives of low income people. In particular, we focus on policies that strengthen families and create pathways to education and work.

Our testimony for the record describes our serious concerns about many provisions in H.R. 4297, which was recently introduced by Rep. Foxx, Rep. Heck and Rep. McKeon. It includes the following two documents that are available on the CLASP website at *www.clasp.org:*

1. *Reauthorizing the Workforce Investment Act: The House Workforce Block Grant Bill Heads in the Wrong Direction*

http://www.clasp.org/admin/site/publications/files/Wrong-Direction-for-WIA.pdf

2. *Workforce Investment Act Reauthorization May Move Youth Development Field Back a Decade*

http://www.clasp.org/admin/site/publications/files/WIAYouthHR4297-Final.pdf

Analysis of H.R. 4297

To help advocates and stakeholders, CLASP has developed a set of criteria for evaluating this bill and other proposals that consolidate programs offering workforce services to low-income families and individuals. These criteria are informed by a review of the merits and problems of block grants, program consolidation and superwaivers. The six criteria for any such legislation are:

- Does the stated purpose of the legislation include a vision and provide sufficient direction for improving outcomes for low-income adults and youth?
- What is the likely impact on funding?
- What is the likely impact on access to services for populations currently targeted for services?
- Are there strong safeguards or incentives to focus appropriate services on those most in need?
- Does it support the capacity needed to administer and deliver services?
- Does it include data collection and accountability provisions designed to ensure equitable service provision and robust outcomes?

In applying these criteria to H.R. 4297, CLASP finds that the bill fails on most counts. It consolidates programs targeting specific populations into a block grant, which is expected to serve all job seekers without providing adequate assurances

that individuals with employment challenges will receive suitable services. More specifically,

1. It is likely to shift funding and services away from currently targeted populations and to weaken the capacity to serve them effectively.

2. It limits the range of services needed to assist low-income individuals, low-wage workers, those with barriers and unemployed workers generally, instead of providing a more comprehensive set of services.

3. It has inadequate safeguards or incentives to ensure that states and local areas improve outcomes for individuals with barriers to employment, although it strengthens some accountability provisions.

H.R. 4297 is likely to shift funding and services away from currently targeted populations and weaken the capacity to serve them effectively.

• Under the proposed Workforce Investment Fund, HR 4297 eliminates a separate youth funding stream for local areas and pits youth against other populations. A large proportion (about two-fifths) of the fund comes from funding streams currently dedicated to serving low-income and disadvantaged youth. Yet it caps funding for Statewide Youth Challenge Grants at 18 percent of the total amount allotted to a state rather than setting this as a floor. In practice, a governor could spend much less than 18 percent on youth programs. The statewide competition for these youth grants would put national programs based on established models into direct competition with local programs. Together, these changes are likely to weaken or potentially dismantle local programs that exited about 122,000 young people in PY 2010.[1]

• The new Statewide Youth Challenge Grants include no protections to prevent funding from shifting away from economically distressed communities toward other parts of the state. At the same time, the Workforce Investment Fund is likely to divert funding away from areas with large concentrations of disadvantaged adults because it drops this factor from the formula for distributing federal workforce dollars to states and within states.

• The bill eliminates the current priority of service for low-income adults under the new Workforce Investment Fund, while allowing unlimited spending on incumbent workers regardless of income eligibility or barriers to employment. Trends observed under WIA are likely to accelerate if current programs are replaced by a broad block grant designed to serve a wide range of job seekers, including adults, dislocated workers, youth, older workers and others. Low-income adults now represent only about half of those receiving intensive or training services with adult employment and training funding. Elimination of the priority of service would further undercut access to services for the nearly 254,000 low-income adults who exited after receiving intensive or training services during PY 2010.[2]

• Creating Statewide Grants for Adults with Barriers to Employment is likely to weaken existing capacity to provide services by depriving programs of reliable funding and by pitting national programs against local programs and for-profit organizations. It is also likely to shift management responsibilities and administrative costs from the federal government to the states without increasing efficiency. States do not have, and would have to build from scratch, the administrative capacity to procure and oversee programs serving the individuals currently served by the national programs.[3] It is difficult to envision that requiring states to administer multiple competitive grant programs would add to the efficiency or effectiveness of delivering comprehensive services to adults or youth with barriers.

• Equally troubling is the inclusion of a form of super-waiver that allows states to consolidate funds from a list of mandatory and discretionary programs (including Temporary Assistance for Needy Families, Trade Adjustment Assistance and Unemployment Insurance as well as Adult Education and Vocational Rehabilitation programs). These funds can be diverted from serving unemployed and low-income individuals targeted by those programs and added to the new block grant for states—to be used for a wide range of functions and services without respect to the original intent of Congress.

Instead of providing a more comprehensive set of services, H.R. 4297 restricts the range of services needed to assist low-income individuals, low-wage workers, those with barriers and unemployed workers generally.

• While the bill provides more options for delivering training, it eliminates the ability of local areas to provide supportive services, such as transportation and child care, and needs-related payments for low-income individuals and unemployed workers who need assistance while participating in services. Supportive services are critical to helping participants stay engaged with and complete education and training programs.

• Elimination of supportive services limits rather than expands customer choice by making it more difficult for participants to engage in long-term programs or participate in services that are unavailable in the community. A study of the use of

Personal Reemployment Services Accounts during a U.S. Department of Labor demonstration found that dislocated workers, who had the choice of how to spend a fixed amount of money on a range of services, spent substantial funds on supportive services; in fact, in five of the seven sites, participants spent more on supportive services than on any other service.[4]

• The bill eliminates the 10 youth program elements authorized in WIA, including leadership development and adult mentoring, which are based on research and what is known about effective youth development. Elimination of this framework for youth services would diminish the appropriate capacity to serve youth, which is quite different from the service capacity typically available to adult participants through one-stop centers.

• The bill reduces the voice in state and local governance of community organizations and stakeholders with expertise and interest in serving vulnerable populations.

Although H.R. 4297 strengthens some accountability provisions in WIA, it lacks strong safeguards or incentives to require or encourage states and local areas to improve outcomes for vulnerable populations.

• To its credit, the bill includes some improvements to performance accountability for workforce programs. These proposed changes include the introduction of shared measures for programs; the use of robust outcomes including longer-term employment and credential attainment; and, most important, a new requirement for adjusting state and local performance levels that should remove some disincentives for providing services to participants who are least job-ready. These provisions could be strengthened by including a wage-gains measure in addition to or in place of the proposed earnings measure. A wage-gains measure better captures successful earnings outcomes for welfare recipients and other low-income individuals who receive employment and training services.[5]

• The bill includes enhanced state and local planning requirements that ask for information on how the needs of low-income individuals and other populations are to be met. Yet such requirements are likely to prove hollow because the bill does not hold states and local areas accountable for achieving goals or meeting the needs identified in the plans.

• Apart from the requirement to adjust performance levels, the bill lacks safeguards to prevent services from shifting from vulnerable populations to more job-ready individuals with fewer barriers. Under the proposed framework of performance measures and reporting requirements, a state or local area could meet the benchmarks while serving few disadvantaged individuals and without improving outcomes for those with severe employment challenges. In a little-noticed but potentially significant change, the bill also requires the Secretary of Labor to reduce funding for states that fail to meet performance levels (and there is a corresponding requirement for governors to reduce local funding). By strengthening financial sanctions and removing performance incentives, the bill is likely to increase the pressure on states and local areas to meet negotiated levels in a way that may dilute or even counteract any benefit to be derived from adjusting performance levels.

• The experience of implementing block grants suggests that tracking and measuring results are a major challenge.[6] In a review of block grants begun during the 1980s, the Government Accountability Office found that Congress received "limited information on program activities, services delivered and clients served" as a result of a reduction in reporting requirements.[7] A more recent review found that, under the Program Assessment Rating Tool system previously used by the Office of Management and Budget, one-third of block grant programs were rated "results not demonstrated."[8]

• The experience of implementing WIA suggests that data collection and reporting are already problem areas. In a series of reports, GAO found that the diversity of local policies for registering and tracking participants made it difficult to obtain comparable and meaningful data.[9] It is already difficult under WIA to track spending by level or type of service—that is, to determine precisely how WIA funds are being used at the state and local levels. Under a broad block grant it would be even more difficult to obtain good data and evaluate services provided to multiple populations.

Conclusion

As this analysis indicates, H.R. 4297 does not meet the criteria that CLASP has developed for evaluating workforce legislation. Of primary concern is the lack of strong safeguards to ensure that vulnerable populations receive services and that appropriate services reach those most in need. In fact, the bill proposes to eliminate an existing safeguard in WIA—the priority of service for low-income adults. This

provision is based on a long-standing principle shared by members on both sides of the aisle.

Focusing public resources on disadvantaged individuals ensures that appropriate services go to those who need them and who are likely to benefit from them. It is also important to ensure that federal funds have maximum impact. In a tight budget environment, public resources should target those who are generally not the beneficiaries of education and training investments made by the private sector.[10]

As research shows, training and intensive services for participants, particularly for disadvantaged adults, are likely to pay off.[11] Recent evaluations of WIA found that workforce services, particularly occupational training, increased employment and earnings for participants served with adult employment and training funds.[12] As WIA reauthorization proceeds, policymakers should not ignore this evidence; rather, they should build on the capacity of the workforce system to improve outcomes for low-income adults, disconnected youth and individuals with barriers to employment.

Analysis of H.R. 4279 through a Youth Advocacy Lens

More than a decade ago, the Workforce Investment Act (WIA) of 1998 restructured the youth service delivery system in this country by enabling youth services organizations to provide more intensive services of longer duration; infuse the best of what was learned from research and practice into youth development programming; build the youth service delivery capacity in high-poverty communities; and, through youth councils, introduce more strategic and collaborative approaches to youth programming. As a result, during the last decade, many innovative practices and comprehensive interventions to meet the needs of low-income youth occurred within the local WIA system, through partnerships with education and other funding streams. The local workforce system enrolled nearly 250,000 low-income youth in 2011. Of the quarter million youth who exited WIA during 2010 and 2011, nearly two-thirds were minority youth, 45 percent were out of school, and 72 percent found employment or enrolled in postsecondary education or advanced training. Of those who were high school dropouts upon entry, 50 percent earned a high school diploma or GED.[13]

This is the time to be fortifying our local WIA youth delivery system and building on its strengths. The ongoing recession has been unforgiving for youth, and youth employment rates are at a 60-year low; fewer than one in five minority teens had a job at the height of last summer, and nearly half of youth in many of our poor and minority school districts are dropping out of school. For many low-income youth, WIA services are the only resources that provide a lifeline and an opportunity to get back on track, train for and get jobs, and earn wages.

On March 29, 2012, Rep. Virginia Foxx, Rep. Joseph J. Heck, and Rep. Howard P. McKeon introduced the Workforce Investment Improvement Act of 2012 (H.R. 4297), which, among other things, consolidates 27 federal employment and training programs into a single workforce investment fund, devolves more power and decision making to state and local workforce boards, eliminates many of the requirements and mandates that governed the now consolidated streams and increases the role of employers on state and local workforce boards.

H.R. 4297, if enacted, would dissolve the local youth workforce and development system in the nation and its ability to respond to current and future education and employment challenges facing low-income youth. In short, the bill would result in a reduction of employment and training services for youth.

In 2010, in anticipation of a WIA reauthorization, CLASP released a set of recommendations explaining how reauthorization could be a vehicle to create an even more robust youth delivery system to prepare low-income and disconnected youth for opportunities in a twenty-first century economy. Our recommendations focused on five areas of concern: 1) increasing the focus on dropouts and high-risk youth: 2) strengthening the strategic role of youth councils and workforce boards; 3) building a comprehensive, integrated local youth delivery system; 4) removing from performance systems some disincentives to serving high-risk youth; and 5) increasing opportunities for youth to obtain work exposure. This paper analyzes the impact of the Workforce Investment Improvement Act of 2012 for youth services against the backdrop of these original recommendations.

1. Increasing the Focus on Youth in High-Risk Categories

Current WIA law provides a separate funding stream for youth activities and requires that a minimum of 30 percent of funds be expended on interventions directed to out-of-school youth without a high school diploma or those with a secondary school credential who have significant barriers to obtaining employment. The inclusion of this "set-aside" serves as a safeguard to ensure local areas plan and program

for youth with significant barriers. Even with these provisions, youth in high-risk categories, such as dropouts and offenders, are underserved by the WIA system. WIA reauthorization provides the opportunity to strengthen priorities for serving these disconnected youth, who have few other options to connect to pathways to labor market credentials.

As it is currently drafted, however, H.R. 4297 moves in the opposite direction. The bill eliminates an estimated $2.6 billion of funding that was previously dedicated to serving the needs of low-income youth and consolidates it into the approximately $6 billion, adult-focused "Workforce Investment Fund." Although the youth funding streams that were consolidated into this single fund account for 42 percent of the total fund amount, there is no language in the bill that requires expenditures for youth programming and no accountability measures that would ensure equitable and comprehensive services are provided to youth. While the bill does allow governors to set aside up to 18 percent of the fund for "Youth Challenge Grants," this is at a governor's discretion and, because many competing workforce priorities exist, governors might choose much reduced levels of service to youth instead.

Current WIA law recognizes that the low-income youth population needs services and supports that are differentiated from those targeted to adult and dislocated worker groups. There is much to lose by consolidating the youth funds into the "Workforce Investment Fund" and no value added. Simply folding youth into the broad pool of unemployed adults to be served by the "Workforce Investment Fund" ignores decades of practice, experience, and research about what works best to prepare youth for labor market success.

Recommendation: Maintain a separate WIA youth funding stream that is allocated by formula to local areas to serve youth ages 16 to 24. Require that at least 50 percent of those served with formula funding be in the high-risk category, to include dropouts along with homeless youth, young offenders, disabled youth, low-income pregnant and parenting teens, and youth in the foster care system.

2. Strengthening the Role of Youth Councils and Workforce Boards as Focal Points for Strategic Coordination of Youth Service Activity

H.R. 4297 would eliminate youth councils. The establishment of youth councils was a key component of the original WIA legislation, designed to bring strategic focus to youth programming in local areas around the country. In communities like Los Angeles, San Diego, Seattle, Hartford, Philadelphia, Boston, and many others, youth councils, in conjunction with workforce boards, work to bring stakeholders together and leverage resources from multiple sources and systems to support programming for vulnerable youth. This function should be encouraged, built upon, and expanded, rather than disabled. The elimination of youth councils would be a significant step backwards and result in the loss of expertise and leadership at the local level on behalf of youth.

H.R. 4297 would also change requirements for local board membership by requiring a two-thirds business majority and removing requirements for representation on the board of other types of relevant stakeholders, including education entities, community-based organizations, and others with a record of working with disadvantaged populations, including youth. There is also no requirement that local boards develop a strategic youth plan.

Together, these changes raise many concerns. The elimination of the strategic planning body, weak requirements relating to youth in the local plan, the limitation of participation of key stakeholders on local boards, and the lack of a floor for youth services in the "Workforce Investment Fund" together make it easier for states and local areas to retreat from investing in a youth population, which is more complicated to serve and whose interventions are much more costly.

Recommendation: Reauthorization legislation should maintain youth councils or require an alternative entity—designated by local elected officials in consultation with the local Workforce Investment Board that assembles the stakeholders in the field of youth policy and practice, leadership from key education and youth-serving systems, employers, and youth—to advise on programs, strategies and cross-system alignment. Youth councils and workforce boards should be charged with identifying how vulnerable youth populations will be served in the local area and how WIA resources will work in conjunction with education, other funding streams, and youth-serving systems to meet the needs of vulnerable youth populations. The current WIA statute is overly prescriptive about board membership, responsibilities, and authority. New language is needed in the reauthorization legislation to allow local areas the flexibility to configure youth council membership, roles, and responsibilities appropriate for their areas—as long as the council consists of experts and stakeholders in the local youth arena, including youth.

3. Building a Comprehensive, Integrated Local Youth Delivery System

H.R. 4297 would eliminate the 10 youth program elements authorized in WIA. The required elements are based on research-driven youth development principles and support a comprehensive framework to serving youth, including integrated approaches that consist of blended education and basic skills instruction, career preparation, work exposure and work experience, leadership, mentoring opportunities, and strong case management, to deliver a variety of support services—such as mental and physical health services, transportation, financial support and housing assistance. The bill assumes existing one-stop centers will have the expertise, knowledge base, and capacity to serve youth. This is not likely, given the fact that under the current WIA system youth are not typically provided comprehensive services through the one-stop system. The elimination of both the youth program elements and the youth council would stifle a community's ability to ensure the quality of youth program design or coordinate across systems to promote data sharing, quality improvement, and partnerships with other youth-serving systems—justice, child welfare, and education.

As mentioned, H.R. 4297 does include a statewide "Youth Challenge Fund," which is targeted to youth ages 16 to 24 and is designed to support five primary program activities: training and internships for out-of-school youth in high-demand industries; dropout recovery activities that lead to a secondary school credential; interventions specific to special youth populations, including foster care and homeless youth, court-involved youth, young parents, and youth with disabilities; contextualized learning strategies that link to postsecondary education opportunities and career pathways; and operating a residential center, such as Job Corps. The inclusion of a "Youth Challenge Fund" and the five program activities are laudable. The construction of this fund, however, is problematic for several reasons: (1) its 18 percent funding cap is less than current dedicated spending levels, and the amounts to be spent in this fund are at a governor's discretion, which could jeopardize continuous and consistent funding for innovation; (2) there are no real requirements to target the most vulnerable youth, as this fund can serve any low-income youth ages 16 to 24 without regard to education status or barriers; thus, college students and college graduates are also eligible, and no priority is assigned to youth with greater needs; and (3) the "Youth Challenge Fund" is the only funding stream made available to fund the national youth programs that were repealed by this legislation. The U.S. Department of Labor national youth programs, including YouthBuild and Job Corps, will only continue to be funded through the "Youth Challenge Fund" and at the discretion of the state. This pits local programs against national program models to compete for a very limited pool of dollars.

Recommendation: Retain the existing 10 WIA youth program elements and include a "Youth Challenge Fund" that is not subject to a governor's discretion for funding. Specifically:

- Require local plans to identify the vulnerable youth populations that will be served, how the 10 program elements will be built into service delivery, and how WIA dollars will be used to leverage other resources, including education and other youth-serving systems, to provide more comprehensive programming for youth.
- Eliminate the current funding mechanism for "Youth Challenge Grants" and establish a set funding stream for them. Strengthen the fund and direct funding to local, cross-system partnerships, led by existing youth councils or other appropriately designated entities, in high-poverty areas, and assign priority to youth in high-risk categories.

4. Removing Disincentives to Serving High-Risk Youth that Currently Exist in the Performance System

H.R. 4297 establishes a performance accountability system of core indicators which apply to the employment and training activities in the "Workforce Investment Fund," adult education and literacy program authorized under Title II and much of the vocational and rehabilitation programs for individuals with disabilities authorized in Title I, and is presumably designed to assess outcomes for the entire workforce system. Yet, there are no specific performance measures established for youth within the "Workforce Investment Fund". This represents a stark departure from current law, which takes into account age-appropriate factors and includes measures for both older and younger youth. Instead, the bill includes youth-specific measures that only apply to the "Youth Challenge Fund".

Both funds have six similar measures related to 1) entered employment rates 2) retaining employment 3) wage gains 4) credential attainment 5) interim academic progress, and 6) obtaining training related employment. The measures for the "Youth Challenge Fund" allow entrance in unsubsidized employment and enrollment in education, training, or the military upon exit to count in the calculation of

the first two outcome measures. This is not the case for youth served in the "Workforce Investment Fund," which only counts those individuals who obtain unsubsidized employment in the first two measures. Thus, local areas that use the "Workforce Investment Fund" to serve young dropouts and transition them to postsecondary education and training may experience a negative impact on their performance outcomes on the two entered employment measures. It also means that there will be different performance standards for youth across the various WIA funding streams, making it more difficult to integrate programming.

Though H.R. 4297 presents deficits in terms of appropriately assessing youth outcomes within the larger "Workforce Investment Fund," it does incorporate important changes that represent a step in the right direction and an improvement over current measures. The bill includes a measure of interim progress toward achieving a credential or employment. This is an important addition to the performance system because providing adequate interventions for out-of-school youth and those with limited basic skills may require longer and more intensive services. The bill also requires a governor to ensure that standards are adjusted to take into account differing economic factors of the local area and demographic characteristics of populations served. This is important because it helps remove disincentives to serving difficult populations.

Recommendation: Draw from the existing youth performance measures incorporated in the "Youth Challenge Fund" and establish one set of youth performance measures to be administered across the various funds within the bill for youth ages 16 to 24. It is recommended that further adjustments to these measures be added that take into account the challenges associated with the multiple barriers vulnerable youth can face, including being a high school dropout, teen parent, or criminal offender, living in foster care, or having limited English proficiency.

5. Increasing Opportunities for Youth Work Exposure

Youth have been hit particularly hard by the economic recession and slow job growth. The rate of joblessness in our low-income and minority communities is of great concern. The development of appropriate work skills and a work ethic is best learned through exposure to the workplace and consistent, progressive work experiences. At a time when youth employment is at a 60-year low, the role of the workforce system in brokering opportunities for youth work experiences, summer jobs, and internships should be paramount. WIA reauthorization should provide the mechanisms for local areas to provide low-income youth with access to summer jobs and year-round work experiences. When funding was made available through the American Recovery and Reinvestment Act of 2009 for summer jobs, the local workforce system responded by putting over a quarter million youth to work, demonstrating that the capacity exists to implement quality efforts. Research studies have shown that early work experience correlates with labor market success and higher earnings.[14] Thus, this type of investment would pay off in the long run in terms of a better equipped pool of new entrants into the workforce.

Recommendation: Establish a separate funding stream for work experience and work exposure activities, including summer and year-round jobs, apprenticeships, internships, youth corps, transitional jobs, and on-the-job training to serve low-income youth ages 14 to 24.

ENDNOTES

[1] Social Policy Research Associates, PY 2010 WIASRD Data Book, November 2011.

[2] Social Policy Research Associates, PY 2010 WIASRD Data Book, November 2011.

[3] Kenneth Finegold, Laura Wherry, and Stephanie Schardin, Block Grants: Historical Overview and Lessons Learned, The Urban Institute, April 2004, *http://www.urban.org/uploadedPDF/310991—A-63.pdf.* This analysis suggests the difficulties of building new state capacity for administering services under a block grant.

[4] Responses to Personal Reemployment Accounts (PRAs): Findings from the Demonstration States, Mathematica Policy Research, Inc. and Coffey Consulting, LLC, 2008.

[5] Evelyn Ganzglass, Recommendations on Performance Accountability in the Workforce Education and Training System, CLASP, 2010. *http://www.clasp.org/admin/site/publications/files/Workforce—Investment—Act—Recommendations—for—Shared—Accountability—System.pdf.*

[6] Margy Waller, Block Grants: Flexibility vs. Stability in Social Services, Center on Children and Families Policy Brief #34, The Brookings Institution, December 2005, *http://www.brookings.edu/papers/2005/12welfare—waller.aspx.*

[7] Government Accountability Office, Block Grants: Characteristics, Experience and Lessons Learned, Government Accountability Office, February 1995, *http://www.gao.gov/products/HEHS-95-74.*

[8] Congressional Research Service, Block Grants: Perspectives and Controversies, April 5, 2011.

[9] Government Accountability Office, Workforce Investment Act: Additional Actions Would Further Improve the Workforce System, June 28, 2007, *http://www.gao.gov/products/GAO-07-1051T*.

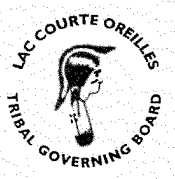
[10] The Aspen Institute, Sector Strategies in Brief, Workforce Strategies Initiative, November 2007. Employers tend to invest in training for more educated workers and are least likely to invest in those who earn low wages, have low education and skill levels or occupy entry-level positions.

[11] Neil Ridley and Elizabeth Kenefick, Research Shows the Effectiveness of Workforce Programs: A Fresh Look at the Evidence, CLASP, May 2011, *http://www.clasp.org/admin/site/publications/files/workforce-effectiveness.pdf*.

[12] In a recent letter to Congress, seven researchers cited the evidence showing the value of workforce services to participants, especially disadvantaged adults.

[13] PY 2010 WIASRD Data Book (2011). Prepared by Social Policy Research Associates for the Office of Performance and Technology, Employment and Training Administration, U.S. Department of Labor, *http://www.doleta.gov/performance/results/pdf/py—2010—wiasrd—data—book.pdf*

[14] Sum, Andrew, Joseph McLaughlin, and Ishwar Khatiwada. 2006. Still Young, Idle, and Jobless: The Continued Failure of the Nation's Teens to Benefit from Renewed Job Growth. Boston: Center for Labor Market Studies, Northeastern University.



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May 4, 2012

The Honorable John Kline
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Committee on Education and the Workforce
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The Honorable George Miller
United States House of Representatives
Committee on Education and the Workforce
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RE: Comments to Be Included in the Hearing Record Regarding:
The Reauthorization of the Workforce Investment Act

Dear Chairman Kline and Ranking Member Miller:

We understand that two competing bills, H.R. 4297, The Workforce Investment Improvement Act of 2012 , and H.R. 4227, The Workforce Investment Act of 2012, have been introduced which would amend and reauthorize the Workforce Investment Act and that the Committee on Education and the Workforce held a hearing on these bills on April 17, 2012. We ask that the following comments be included in the record for this hearing.

We are writing out of concern about some of the provisions which have been included in H.R. 4297. The most pressing of our concerns relate to the variable and significantly lower funding levels that H.R. 4297 would lock in for Native workforce training programs through FY 2018.

H.R. 4297 would repeal Section 166 – Native American Programs and Section 169 –Youth Opportunity Grants (which has a 1.5 percent Native Youth set-aside) and replace these two sections with a "not more than one percent" set aside to "make grants to, and enter into contracts or cooperative agreements with Indian tribes, tribal organizations, Alaska-Native entities, Indian controlled organizations serving Indians, or Native Hawaiian organizations to carry out employment and training activities" from the total amount appropriated for states.

Under this "not more than one percent" provision, the Secretary could lawfully zero out program funding to Native entities and would likely provide less than one percent. Even in the best case scenario, where the Secretary allocated the full one percent, Native entities would likely receive less than they are currently receiving.

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The existing Native programs are very effective in targeting the particular economic and social circumstances on Indian reservations. Their loss would be tragic. Currently, Lac Courte Oreilles successfully operates both adult and youth workforce training programs. In FY 2012, using only $104,109 in grant funding we have provided extensive work experience, classroom training and support services (referrals for transportation, clothing, etc.) to many tribal members. The unemployment rate on our reservation is 66% (2005 American Indian Population and Labor Force Report, U.S. Department of the Interior, Bureau of Indian Affairs Office of Indian Services). Because of this program we have been able to take a number of unskilled workers and help them gain the skills they need to compete in the job market and become gainfully employed, but there is much more work to be done to fight our high unemployment and poverty rates.

We believe that the very survival of this valuable program on our reservation is at stake in this legislation. We ask that you consult with Tribal governments about how to improve these programs before advancing this legislation further.

Sincerely,

Gordon C. Thayer
Chairman

cc: Wisconsin Congressional Delegation
House Education and Workforce Committee Members

[Additional submission of Ms. Harmsen follows:]

Additional Submission for the Record From Ms. Harmsen

Thank you for recognizing Local Workforce Investment Boards as a program that is instrumental in developing a comprehensive workforce development system. The San Bernardino County Workforce Investment Board believes in a workforce system that serves customers—businesses and job seekers alike—in an efficient manner that maximizes resources.

In response to multiple questions relating to program consolidation asked by several Committee Members:

The San Bernardino County Workforce Investment Board (WIB) fully supports the effort to create a solid, receptive workforce development system. We support that there is a need to address the shrinking availability of funding by creating an effec-

tive, efficient workforce development system. We recognize that congress has the ability to view programs at a higher level and can identify under-performing workforce programs. We understand there may be a need for consolidating some of these programs in order to preserve resources and increase efficiency in providing workforce development activities. If consolidation of some programs needs to take place, it should be under the local WIBs. Local WIBs across the nation currently collaborate with other entities to serve special populations through contracted services. We recognize that different populations have different priorities, needs and skill sets. Through collaborative contracted services local WIBs provide needs assessment, career assessment, employability skills development, job training and job placement for special populations. With a private business majority, the WIBs also have knowledge of the skills needed by the local workforce and can effectively develop strategies to train individuals in those skills. Strong collaborations maximize funding and efficiency at the local level instead of relying on small, targeted national programs to accomplish this goal. Flexible performance standards to address special populations and the effective utilization of funding through collaboration enable communities to effectively respond to the job training needs of all job seekers.

In response to various questions relating to the membership of Local Workforce Investment Boards by several Committee Members:

Local flexibility is necessary to serve specific needs in a designated area. A strong majority of private business is a key component to the workforce development system because it enables the WIB to identify local demand occupations and local growth industry sectors. With a private business majority, the WIBs are able to identify skills needed by the local workforce and can effectively develop strategies to train individuals in those skills. Flexibility in determining membership will enable local officials to establish boards that are effective, efficient and representative of the entities and populations present in their local areas. To ensure that boards do not become homogenous, local WIBs should be able to demonstrate the process they used to determine their design.

In response to various questions relating to national industry-recognized training certificates by several Committee Members:

The San Bernardino County WIB agrees that industry-recognized certificates are important to ensuring that America has a well-trained workforce to support job growth. Our WIB helped establish a local Manufacturing Industry Council and a Transportation and Logistics Council. The WIB is also active as members of the Aviation Industry Council, the Healthcare Workforce Advisory Board, and the California Clean Energy Collaboration. These councils in turn connect to national industry organizations. We recognize that to be effective, local workforce development systems must actively develop and participate in these types of networks in order to develop nationally recognized certificates.

In response to various questions relating to flexibility in utilizing community colleges and trade schools in workforce development system by several Committee Members:

The San Bernardino County WIB fully supports local flexibility in using community colleges and trade schools. We recognize it is an effective and efficient utilization of our training funding. Recently, the WIB worked with a local community college to implement a training program for the region's growing mining industry. The WIB and the Manufacturers Industry Council worked with two other community colleges to develop and implement an Electrical and Mechanical training program in Advanced Manufacturing to develop skill sets needed by local manufactures. The WIB also worked with a local vocational school to develop a work-based training program to provide skilled machinists for the manufacturing industry. This initiative was recognized in the January 2012 GAO Report.

In response to various questions relating to adequate funding for a workforce development system by several Committee Members:

The San Bernardino County WIB recognizes the reality of shrinking national resources and the importance of ensuring that public funds are utilized in the most effective and efficient manner. To this end, we believe that local control of workforce development programs through local Workforce Investment Boards is key in reducing administrative overhead, eliminating duplication of efforts and ensuring that training is tied to local business needs and employment opportunities.

[Whereupon, at 12:27 p.m., the committee was adjourned.]

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