

**WORKFORCE INNOVATION AND OPPORTUNITY
ACT REAUTHORIZATION: CREATING
OPPORTUNITIES FOR YOUTH EMPLOYMENT**

HEARING

BEFORE THE

**SUBCOMMITTEE ON
HIGHER EDUCATION AND
WORKFORCE INVESTMENT**

OF THE

**COMMITTEE ON EDUCATION AND LABOR
U.S. HOUSE OF REPRESENTATIVES**

ONE HUNDRED SEVENTEENTH CONGRESS

FIRST SESSION

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**WORKFORCE INNOVATION AND
OPPORTUNITY ACT REAUTHORIZATION:
CREATING OPPORTUNITIES FOR
YOUTH EMPLOYMENT**

Thursday, May 27, 2021

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EDUCATION AND
WORKFORCE INVESTMENT,
COMMITTEE ON EDUCATION AND LABOR,
Washington, DC.

The Subcommittee met, pursuant to notice, at 12:05 p.m., via Zoom, Hon. Frederica S. Wilson (Chairwoman of the Subcommittee) presiding.

Present: Representatives Wilson, Takano, Jayapal, Omar, Leger Fernández, Jones, Manning, Bowman, Pocan, Grijalva, Courtney, Bonamici, Scott (*ex officio*), Grothman, Stefanik, Fulcher, Miller-Meeks, Good, Spartz, Letlow, and Foxx (*ex officio*).

Staff present: Jessica Bowen, Professional Staff; Ilana Brunner, General Counsel; Scott Estrada, Professional Staff; Rashage Green, Director of Education Policy; Sheila Havenner, Director of Information Technology; Eli Hovland, Policy Associate; Ariel Jones, Policy Associate; Katie McClelland, Professional Staff; Richard Miller, Director of Labor Policy; Max Moore, Staff Assistant; Mariah Mowbray, Clerk/Special Assistant to the Staff Director; Lorin Obler, GAO Detailee; Kayla Pennebecker, Staff Assistant; Veronique Pluiose, Staff Director; Banyon Vassar, Deputy Director of Information Technology; Claire Viall, Professional Staff; Joshua Weisz, Communications Director; Cyrus Artz, Minority Staff Director; Courtney Butcher, Minority Director of Member Services and Coalitions; Amy Raaf Jones, Minority Director of Education and Human Resources Policy; Hannah Matesic, Minority Director of Operations; Jake Middlebrooks, Minority Professional Staff Member; Mandy Schaumburg, Minority Chief Counsel and Deputy Director of Education Policy; Brad Thomas, Minority Senior Education Policy Advisor.

Chairwoman WILSON. The Subcommittee on Higher Education and Workforce Investment will come to order. Welcome everyone. I note that a quorum is present. I note for the Subcommittee that Mr. Mrvan of Indiana is permitted to participate in today's hearing with the understanding that his questions will come only after all members of the Subcommittee on Higher Education and Workforce Investment on both sides of the aisle who are present and had an opportunity to question the witnesses.

The Subcommittee is meeting today to hear testimony on “Workforce Innovation and Opportunity Act Reauthorization: Creating Employment Pathways for Dislocated Workers”.

This is an entirely remote hearing. All microphones will be kept muted as a general rule to avoid unnecessary background noise. Members and witnesses will be responsible for unmuting themselves when they are recognized to speak, or when they wish to seek recognition.

I also ask that Members please identify themselves before they speak, so call out your name before you speak. Members should keep their cameras on while in the proceeding. Members shall be considered present in the proceedings when they are visible on camera, and they shall be considered not present when they are not visible on camera.

The only exception to this is if they are experiencing technical difficulty and inform Committee staff of such difficulty. If any Member experiences technical difficulties during the hearing you should stay connected on the platform, make sure that you are muted and use your phone to immediately call the Committee’s IT director, you have been given that number in advance.

Should the Chair experience technical difficulty or need to stop to leave, or step away to vote on the floor Mr. Takano, or another majority Member as a Member is hereby authorized to assume the gavel in the Chair’s absence.

This is an entirely remote hearing and as such the Committee’s hearing room is officially closed. Members who choose to sit with their individual devices in the hearing room must wear headphones to avoid feedback, echoes and distortion resulting from more than one person on the software platform sitting in the same room.

Members are also expected to adhere to social distancing and safe healthcare guidelines, including the use of masks, hand sanitizers and wiping down their areas both before and after their presence in the hearing room.

In order to ensure that the Committee’s five-minute rule is adhered to, staff will be keeping track of time using the Committee’s field timer. The field timer will appear on its own thumbnail picture and will be named 001 timer. There will be no one-minute remaining warning. The field timer will show a blinking light when time is up.

Members and witnesses are asked to wrap up promptly when their time has expired. While a roll call is not necessary to establish a quorum in official proceedings conducted remotely or with remote participation, the Committee has made it a practice whenever there is an official proceeding with remote participation for the Clerk to call the roll and help make clear who is present at the start of the proceeding.

Members should say their name before announcing they are present. This helps the Clerk, and also helps those watching the platform and the livestream who may experience a few seconds delay.

At this time I ask the Clerk to please call the roll.

The CLERK. Chairwoman Wilson?

Chairwoman WILSON. Congresswoman Wilson is present.

The CLERK. Mr. Takano?

[No response.]
The CLERK. Ms. Jayapal?
Ms. JAYAPAL. Jayapal is present.
The CLERK. Ms. Omar?
[No response.]
The CLERK. Ms. Leger Fernández?
Ms. LEGER FERNÁNDEZ. Ms. Leger Fernández is present.
The CLERK. Mr. Jones?
[No response.]
The CLERK. Ms. Manning?
[No response.]
The CLERK. Mr. Bowman?
Mr. BOWMAN. Mr. Bowman is present.
The CLERK. Mr. Pocan?
Mr. POCAN. Mr. Pocan is present.
The CLERK. Mr. Castro?
[No response.]
The CLERK. Ms. Sherill?
[No response.]
The CLERK. Mr. Espailat?
[No response.]
The CLERK. Mr. Grijalva?
Mr. GRIJALVA. Grijalva present.
The CLERK. Mr. Courtney?
Mr. COURTNEY. Courtney present.
The CLERK. Ms. Bonamici?
Ms. BONAMICI. Suzanne Bonamici's present.
The CLERK. Mr. Scott?
Mr. SCOTT. Scott's present.
The CLERK. Ranking Member Murphy?
[No response.]
The CLERK. Mr. Grothman?
Mr. GROTHMAN. Present.
The CLERK. Ms. Stefanik?
[No response.]
The CLERK. Mr. Banks?
[No response.]
The CLERK. Mr. Comer?
[No response.]
The CLERK. Mr. Fulcher?
[No response.]
The CLERK. Ms. Miller-Meeks?
[No response.]
The CLERK. Mr. Good?
Mr. GOOD. Good here.
The CLERK. Mrs. McClain?
[No response.]
The CLERK. Mrs. Harshbarger?
[No response.]
The CLERK. Mrs. Spartz?
Mrs. SPARTZ. Spartz is present.
The CLERK. Ms. Letlow.
[No response.]
The CLERK. Ranking Member Foxx?

Ms. FOXX. Foxx is here.

The CLERK. Chairwoman Wilson that concludes the roll call.

Ms. WILSON. Thank you so much.

Mr. JONES. Madam Chair how is Jones recorded?

The CLERK. Mr. Jones, I have marked you as present.

Mr. JONES. Thank you.

Mr. TAKANO. Madam Chair how is Takano recorded?

The CLERK. Mr. Takano you are present as well.

Mr. TAKANO. Thank you.

Chairwoman WILSON. So everyone has been recorded. Thank you. Thank you so much. Pursuant to Committee Rule 8(c) opening statements are limited to the Chair and the Ranking Member. This allows us to hear from our witnesses sooner and provides all Members with adequate time to ask questions.

I now recognize myself now for the purpose of making an opening statement. Today we meet for our second bipartisan hearing on re-authorizing the Workforce Innovation and Opportunity Act, or WIOA.

This hearing will address key priorities to support workers who have been forced out of their jobs and to help workers avoid future displacement through lifelong learning. WIOA supports an array of programs that provide displaced workers with the skills and support they need to attain higher paying and more rewarding careers.

These include career services ranging from career planning and counseling to supportive services including lead-based payments. WIOA also provides workers with access to training services, including on the job training which allows workers to earn while they train. That is so important and have individual training accounts or ITA's which workers can use on approved in-State training programs.

There is no better time to strengthen critical initiatives that help displaced workers get back on their feet, particularly as millions of workers remain unemployed, or under employed due to the pandemic. Worse, too many of the jobs lost during the pandemic will not be coming back, yet since well before COVID-19, Congress has underfunded workforce development programs under WIOA making their services largely unavailable to the workers and business they're intended to serve.

Over the last decade Federal funding for workforce systems has decreased by nearly 20 percent adjusted for inflation. WIOA's core dislocated worker programs specifically received appropriate funding but lower authorized levels by combined 500 million between fiscal years 2016 and 2020.

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

In fact, in the last program year only allowed 30 percent of people who interacted with the public workforce system were actually able to access training because of the lack of funding. This chronic underfunding is a significant barrier to preparing workers to remain competitive in the global economy.

It is also particularly frustrating given WIOA's programs' long record of helping employers and displaced workers overcome the

challenges they currently face. For example, a 2017 study found that individualized career services under WIOA included individualized employment plans and counseling, increased earnings for worker by up to 20 percent over a 30-month period.

And in 2019 WIOA's displaced workers program served more than 250,000 people with more than 70 percent of those workers employed 1 year after they left. However, we should aim higher than just adequately funding WIOA to respond to workers displacement.

We must also take proactive steps to prevent workers from being displaced in the first place. Today with the help of our expert witnesses, we will discuss how we can expand access to the lifelong learning and career navigation support that workers need in this ever-changing economy.

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

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

The importance of this effort to strength the WIOA is best understood through the real-life success stories. Let me give you one. Take for instance Wendy, an Idaho resident who was laid off from her job as a sales representative when she earned \$21.00 an hour and benefits.

After several unsuccessful interviews she had a temporary part-time and on-call retail position at Walmart paying \$9.00 an hour with no benefits. Here was Wendy, an unemployed worker over the age of 50 was feeling discouraged and doubtful that she could compete in the modern economy.

With support from WIOA funded programs, she enrolled in a training program that helped actually turn her life around. After completing the program she was hired for an upper management job with Walmart's home office while making \$25.00 an hour with benefits.

This success story can be replicated for millions of workers if we simply commit to funding and strengthening WIOA. Today we will discuss how we can help displaced workers forge a pathway forward while also preparing them with the lifelong education and training to navigate our changing economy.

[The prepared statement of Chairwoman Wilson follows:]

STATEMENT OF HON. FREDERICA S. WILSON, CHAIRWOMAN, SUBCOMMITTEE ON
HIGHER EDUCATION AND WORKFORCE INVESTMENT

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

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

These include career services—ranging from career planning and counseling to supportive services and needs-based payments. WIOA also provides workers with

access to training services—that is support so important—including on-the-job training, which allows workers to earn while they train and have individual training accounts, or I-T-As, which workers can use on approved, in-State training programs.

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

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

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

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

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

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

And, in 2019, WIOA's Displaced Worker programs served more than 250,000 people—with more than 70 percent of those workers employed 1 year after they left.

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

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

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

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

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

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

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

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

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

I now recognize the distinguished Ranking Member of the full Committee on Education and Labor, Dr. Foxx for the purpose of making an opening statement. Dr. Foxx.

Ms. FOXX. Thank you, Chairwoman Wilson. I appreciate that. The skills gap is a growing concern for all sectors of the American economy, and it impacts businesses and workers alike. In February of this year McKinsey study estimated that 45 million Americans, that's a quarter of our workforce, will lose their jobs due to automation by the year 2030. Perhaps more concerning is the study's second conclusion, that only 17 percent of those employees are likely to find new work, leaving an estimated and unprecedented 39 million Americans jobless.

And the pandemic threatens is to exacerbate this troubling trend. We know that during economic recessions companies turn to machines and automation as an alternative to human labor. However, even with increased automation, businesses across the country still have open jobs, but are hampered by a lack of skilled workers.

This is not an abstract concern. Even before COVID-19 7 million jobs were unfilled due to the skills gap. Wayne Gretzky was the greatest hockey player ever and he once observed he never wanted to skate to where the puck was, but where it was going to be. The same is true in workforce development.

If our workforce system focuses on today's jobs only, then we won't be equipped for the economy of the future which is why we're here today, to learn from folks on the ground what is working, what isn't. How can we get out of your way to expand upon the innovation that business is already leading?

By battling this problem now we can remove bureaucratic barriers to help millions find employment opportunities today, and nearly a quarter of Americans avoid dislocation and unemployment in the future. I listened to the Chairwoman when she was talking about having a 70 percent placement rate in some of the workforce development programs that currently exist, and people working in those jobs a year later.

She's a former educator, and I know she would agree with me 70 percent is not a passing grade, and we can do better. If we have only 70 percent of the people in jobs 1 year after they go through a program that we've spent billions of dollars on, something's not working right, and we need to work on that.

And perhaps it is looking toward where that puck is going to be, not where it currently is. As we consider reauthorization of the Workforce Innovation and Opportunity Act, and incidentally, for those of you who weren't around, when we passed that bill and President Obama signed it, when we passed it out of the House it was called the Skills Act.

I think we were very pressured in calling the bill the Skills Act then, but when it passed the House that's what it was called, and the Senate insisted on changing the title to Workforce Innovation and Opportunity Act which is a mouthful. We should have called it the Skills Act, but we ceded to their wanting to change it because we wanted to get the bill passed.

But as we consider the re-authorization, our primary goal and focus should be creating additional pathways for workers to reskill and upskill to meet the demands of our evolving 21st Century economy.

I am very encouraged by the Democrats' commitment to examine this reauthorization thoroughly, and I'm hopeful we will come to a

solution that works not just for politicians, but for the people who have everything to gain from these vital job savings efforts.

And the word I think coming back to when discussing WIOA programs is in the hearing title: pathways. Congress creates pathways when we remove unnecessary barriers and offer services that help workers build skills that lead to lasting successful employment and self-sufficiency.

Most importantly, these pathways must be responsive to the need of business industry. A workforce system that does not provide workers with in-demand skills for the region is a poor use of taxpayer dollars and can handicap our Nation's economic growth and global competitiveness for years to come.

We must ensure that any Federal initiative embrace technological advances and economic innovation so that our workforce development programs can meet regional economic development needs. This will require the power of the free market to create an economy better than anything government can mandate into existence.

I think we have a great panel of witnesses, and I want to thank them for joining us today for a productive discussion about how to reauthorize WIOA to ensure that 21st Century workers are prepared to meet 21st Century challenges, and with that Madam Chair, I yield back.

[The prepared statement of Ranking Member Foxx follows:]

STATEMENT OF HON. VIRGINIA FOXX, RANKING MEMBER, COMMITTEE ON EDUCATION AND LABOR

The skills gap is a growing concern for all sectors of the American economy and it impacts businesses and workers alike. In February of this year, a McKinsey study estimated that 45 million Americans—that's a quarter of our workforce—will lose their jobs due to automation by the year 2030.

Perhaps more concerning is the study's second conclusion; only 14 percent of those employees are likely to find new work, leaving an estimated and unprecedented 39 million Americans jobless.

And the pandemic threatens to exacerbate this troubling trend. We know that during economic recessions companies turn to machines and automation as an alternative to human labor. However, even with increased automation, businesses across the country still have open jobs but are hampered by a lack of skilled workers. This is not an abstract concern; even before COVID-19, seven million jobs were unfilled due to the skills gap.

Wayne Gretzky was the greatest hockey player ever, and he once observed he never wanted to skate to where the puck was but where it was going to be. The same is true in workforce development. If our workforce system focuses on today's jobs only then we won't be equipped for the economy of the future.

Which is why we are here today—to learn from folks on the ground. What is working? What isn't? How can we get out of your way to expand upon the innovation that business is already leading?

By battling this problem now, we can remove bureaucratic barriers to help millions find employment opportunities today and nearly a quarter of Americans avoid dislocation and unemployment in the future.

As we consider a reauthorization of the Workforce Innovation and Opportunity Act, our primary goal and focus should be creating additional pathways for workers to reskill and upskill to meet the demands of our evolving 21st century economy.

I am encouraged by the Democrats' commitment to examine this reauthorization thoroughly and am hopeful we will come to a solution that works not just for politicians, but for the people who have everything to gain from these vital, jobs-saving efforts.

The word I keep coming back to when discussing WIOA programs is in the hearing title: pathways. Congress creates pathways when we remove unnecessary barriers and offer services that help workers build skills that lead to lasting, successful employment and self-sufficiency.

Most importantly, these pathways must be responsive to the needs of business and industry. A workforce system that does not provide workers with in-demand skills for the region is a poor use of taxpayer dollars and could handicap our Nation's economic growth and global competitiveness for years to come.

We must ensure that any Federal initiatives embrace technological advances and economic innovation so that our workforce development programs can meet regional economic development needs. This will require the power of the free market to create an economy better than anything government can mandate into existence.

I thank the witnesses for joining us today for a productive discussion about how to reauthorize WIOA to ensure that 21st century workers are prepared to meet 21st century challenges.

Chairwoman WILSON. Thank you. All other Members who wish to insert written statements into the record may do so by submitting them to the Committee Clerk electronically in Microsoft Word format by 5 p.m. on June 10.

I will now introduce the witnesses. Mr. Joe Barela is the Executive Director of the Colorado Department of Labor and Employment. Previously Mr. Barela served as the U.S. Department of Labor as a Senior Advisor where he helped coordinate the implementation of the WIOA at State and local levels. Welcome to our panel today. We're so happy to have you.

Mr. PJ McGrew is Executive director of the Indiana Governor's Workforce Cabinet which serves as the state's workforce board. As Executive Director Mr. McGrew tries to find solutions to workforce issues paramount to Indiana's long-term economic viability and the economic mobility of its citizens. Thank you for being with us today Mr. McGrew.

Mr. Sigelman is the CEO of Burning Class Technologies, a leading labor market analytics company that carries out big data analysis of job posting and career businesses. I now wish to recognize one of our distinguished Committee Members from Washington, Ms. Jayapal, a leader in the Nation, a leader in our Congress, and we are so proud of her as she Chairs a congressional Progressive Caucus.

She is going to introduce our final witness, Ms. Jayapal let us hear from you.

Ms. JAYAPAL. Thank you so much Madam Chair for that beautiful introduction of me, but also for allowing me to recognize one of our witnesses and thank you for your tremendous leadership of this Committee.

One of our witnesses is Portia Wu, she is currently the Managing Director of the U.S. Public Policy for Microsoft. She is focused on issues regarding workforce skills and immigration, and of course Microsoft is a powerful force across the country and headquartered right here in the Seattle area.

Ms. Wu previously served in the Obama administration, first as Special Assistant to the President for Labor and Workforce Policy, before becoming Assistant Secretary of the Employment and Training Administration at the U.S. Department of Labor. In that role she oversaw billions of dollars in Federal workforce and training investments.

She also worked for Senator Edward Kennedy as Labor Policy Director, and General Counsel as well as serving as the Vice President of Work and Family Issues at the National Partnership of

Women and Families, and as an attorney at Bredhoff and Kaiser where she represented workers, unions, and pension fund trustees.

As we celebrate AAPI Heritage Month, it is a pleasure to see you here Ms. Wu and to hear the powerful voice that we know you will bring. Thank you and I look forward to your testimony.

Chairwoman WILSON. Thank you so much. Thank you. We appreciate the witnesses for participating today and we look forward to your testimony. Let me remind the witnesses that we have read your written statements, and they will appear in full in the hearing record pursuant to Committee Rule 8(d) and Committee practice, each of you is asked to limit your oral presentation to a 5-minute summary of your written statement.

Before you begin your testimony, please remember to unmute your microphone. During your testimony staff will be keeping track of time, and a light will blink that time is up. Please be attentive to the time and wrap up when your time is over, so I won't have to tell you to wrap up. Then after you wrap up you re-mute your microphone.

If any of you experience technical difficulties during your testimony, or later in the hearing, you should stay connected on the platform, but make sure you are muted, and use your phone to immediately call the Committee's IT director and that number was provided to you.

We will let all of the witnesses make their presentations before we move to the Member questions. When answering a question please remember to unmute your microphone. The witnesses are aware of their responsibility to provide accurate information to the Subcommittee, and therefore we will proceed with their testimony.

I now will recognize Mr. Barela for his five minutes. Mr. Barela?

**STATEMENT OF JOSEPH M. BARELA, EXECUTIVE DIRECTOR,
COLORADO DEPARTMENT OF LABOR AND EMPLOYMENT**

Mr. BARELA. Thank you, Chairman Wilson, Ranking Member Dr. Foxx, and Members of the Subcommittee. Thank you for the opportunity to appear before you today. As this Subcommittee considers the reauthorization of WIOA, I am honored to share Colorado's approaches to serving dislocated workers and supporting lifelong learning, reskilling, upskilling, and next skilling of the workforce, and to provide recommendations to ensure that all workers, learners, and employers are future ready.

The Colorado Workforce Development eco-system responded to COVID-19 with agility, shifting to remote work and virtual service delivery, so we could serve thousands of Coloradans, hundreds of thousands of Coloradans. Now as we look to recover from the pandemic, in preparation for the future of work, we have the opportunity to create a proactive workforce system that builds lifelong learners, a skilled workforce, and connects people with economic success.

Our workforce system must be able to act proactively to support workers and communities. In Colorado our just transition office is using State funds and existing WIOA resources to support call workers, employers, and communities as they plan for the future closings of coal plants, upon which their communities depend.

We know that the transition from coal and the COVID-19 pandemic are just a few of many disruptions our communities will face as technology advances and work evolves. WIOA eligibility that allows us to support workers before they are laid off will mitigate the economic impact of these transitions, and it will help us keep communities together.

To be successful, our workforce system must also be funded based on more recent data and have the agility to pivot in order to be responsive in a timely manner. Colorado has a dynamic economy, and a funding formula based on 2-year lags and data prevents our system from providing adequate services when it is most needed in the community.

Our workforce system must support lifelong learning and facilitate upskilling, reskilling, and next skilling throughout an individual's work lifecycle. Increased investments in work-based learning, especially earn and learn models, like apprenticeships, are critical to this effort.

Work based learning combines skill development with training opportunities and is a key strategy in Colorado for developing talent and preparing Coloradans for the workforce and evolving labor market. So many underemployed and dislocated workers do not have the ability to stop working, earning a wage, and attending education training that is separate from workplace.

CDLE partners with local workforce systems, the U.S. Department of Labor, and partner organizations like Career Wise to help implement a high-quality apprentice system with more than 6,000 apprenticeships, and more than 400 registered apprenticeship programs.

These programs work and their reach needs to be expanded to youth, underemployed, mid-career professionals and dislocated workers. When Brandon, a general manager at Old Chicago Restaurant was laid off due to COVID, he decided to make a career change. With support from his local workforce center he became an apprentice with a local electrician, and he had costs covered for his supplies from the dislocated worker program.

The first year of related instructions were covered as well. He is on track with an industry that is growing and has the potential to reach more than minimum wage, a livable wage in a community he chooses to live in here in Colorado.

Our workforce system must partner with business and industry. Sector, partnerships are partnerships of business leaders from the same industry and in shared regions who work with education, workforce development, economic development, and community organizations to address the talent and competitiveness needs of their industry.

More than 1,600 businesses are actively involved in 30 sector partnerships across Colorado. These sector partnerships inform competency-based career paths that ensure education, training and workforce systems stay attuned and responsive to the needs of the labor market in order to ensure businesses have the access to appropriately skilled talent pipelines and prepare students and workers with the skills and credentials they need for jobs and careers.

The model for partnership works in all corners of the State, and with any type of industry. During the past year sector partnerships

have developed and engaged training strategies to support both incumbent workers and new workers in the field. Our workforce system must provide for workers to reskill, upskill, and connect with quality career paths.

This requires effective career coaching, with a partnership and support from the Markle Foundation, Skillful, and the Rework American Alliance, Colorado invests in professional development and support for frontline career development professionals, so they apply skills-based practices, labor market insights, and high-quality coaching practices to connect underemployed, mid-career professionals and dislocated workers to opportunities.

I encourage you to consider increased investments in career coaching within the workforce system, so people have access to this valuable resource throughout their careers. In Colorado we know that with strategic career navigation job seekers using workforce system earn about \$12,700.00 more in annualized wages than those who find work on their own.

This truly is the value add of the public workforce system. Access to well-trained coaches, availability of, and access to career connected learning, to reskill, upskill and next skill and labor market aligned with job placement retention. Let me close by saying again how proud I am of Colorado's workforce system which promotes a driving employment environment with opportunity for every Coloradoan to prosper.

I hope my remarks have been helpful as you work to reauthorize the Workforce Innovation and Opportunity Act, and ensure all Americans have the ability to find a career and economic success in the future of work. I'm happy to answer any questions from the Subcommittee. Thank you.

[The prepared statement of Mr. Barela follows:]

PREPARED STATEMENT OF JOE BARELA



COLORADO
Department of
Labor and Employment

Executive Director's Office
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**Testimony of Joe Barela, Colorado Department of Labor and Employment
U.S. House of Representatives Subcommittee on Higher Education and Workforce Investment
Thursday, May 27, 2021**

Chairwoman Wilson, Ranking Member Murphy, and members of the subcommittee, thank you for the opportunity to appear before you today. My name is Joe Barela and I am the Executive Director of the Colorado Department of Labor and Employment (CDLE). I have more than 25 years of experience in workforce issues at the local, state, and federal level, including serving as a Senior Advisor with the U.S. Department of Labor (USDOL) in 2015 where I helped coordinate the implementation of the Workforce Innovation Opportunity Act (WIOA). As this Subcommittee considers the reauthorization of WIOA, I am honored to share Colorado's approaches to serve dislocated workers and support lifelong learning, and to provide recommendations to ensure that all workers, learners, and employers are future-ready.

Colorado's workforce system is driven from the bottom up through 10 local workforce areas including 10 rural sub-areas, with activities delivered by the state's 57 Colorado Workforce Centers and their partners. The Colorado Workforce Centers are overseen at the state level by the CDLE, and are managed locally by each of the local boards comprised of businesses, labor, partner agencies, and other key stakeholders. The Colorado Workforce Development Council (CWDC) is the governing body charged with the continuous improvement of the workforce system and oversight of WIOA funds and programs. The partnerships and collaborative atmosphere guided by CDLE, CWDC, and the local areas create an integrated and resilient workforce system that provides impactful services throughout the state.

We responded to COVID-19 with agility, shifting to remote work and virtual service delivery so we could serve hundreds of thousands of Coloradans. Now, as we look to recovery from the pandemic and preparation for the future of work, we have an opportunity to create a proactive workforce system that builds lifelong learners and connects people with economic success.

Our workforce system must be able to act proactively to support workers and communities. In Colorado, our Just Transition Office is using state funds and existing WIOA resources to support coal workers, employers, and communities as they plan for the future closings of coal plants upon which their communities depend. We



know that the transition from coal and the COVID-19 pandemic are just a few of many disruptions our communities will face as technology advances and work evolves. WIOA eligibility that allows us to support workers **before they are laid off** will mitigate the economic impact of these transitions and it would help us keep communities together. To be successful, our workforce system must also be funded based on more recent data. Colorado has a dynamic economy, and a funding formula based on two-year lags in data prevents our system from providing adequate services when it is most needed in a community. Workforce areas also need an enhanced ability to transfer funds between Dislocated Worker and Youth so they can use funds strategically, where and when it is needed most.

Our workforce system must support lifelong learning and facilitate upskilling, reskilling and next-skilling throughout a career. Increased investments in work-based learning, especially earn-and-learn models like apprenticeships, are critical to this effort. Work-based learning combines skill development with training opportunities and is a key strategy in Colorado for developing talent and preparing Coloradans for the workforce and evolving labor market. CDLE partners with the local workforce system, USDOL, and partner organizations like CareerWise to implement a high-quality apprenticeship system with more than 6,000 apprentices and more than 400 Registered Apprenticeship Programs. These programs work. When Brandon, a General Manager at Old Chicago restaurant, was laid off due to COVID he decided to make a career change. With support from his workforce center, he became an apprentice with a local electrician, and had costs covered for his supplies and first year of related instruction. He's on track in an industry with great growth potential, and already received a raise.

Sector partnerships are partnerships of business leaders, from the same industry and in a shared region, who work with education, workforce development, economic development, and community organizations to address the workforce and other competitiveness needs of their industry. More than 1,600 businesses are actively involved in sector partnerships across Colorado. These sector partnerships inform competency-based career pathways that ensure education, training, and workforce systems stay attuned and responsive to the needs of the labor market in order to ensure businesses have access to appropriately skilled talent pipeline and prepare students and workers with the skills and credentials they need for jobs and careers.

For workers to reskill, upskill, and connect with quality career pathways requires effective career coaching. With support from Skillful and the Rework America Alliance, Colorado invests in professional development and support



for frontline career development professionals so they apply skills-based practices, labor market insight, and high quality coaching practices to connect dislocated workers to opportunities. I encourage you to consider increased investments in career coaching within the workforce system so people have access to this valuable resource throughout their careers.

Let me close by saying again how proud I am of Colorado's workforce system which promotes a thriving employment environment with opportunity for every Coloradan to prosper. I hope my remarks have been helpful as you work to reauthorize WIOA and ensure all Americans are able to find economic success in the future of work. I am happy to answer any questions from the Subcommittee. Thank you.

Attachments to include:

- [Colorado 2020 Talent Pipeline Report](#)
- [Talent Equity Agenda](#)
- [Office of Future of Work Annual Report](#)
- [Just Transition Action Plan](#)



Chairwoman WILSON. We will now hear from Mr. McGrew.

STATEMENT OF PJ MCGREW, EXECUTIVE DIRECTOR, INDIANA GOVERNOR'S WORKFORCE CABINET

Mr. MCGREW. Thank you, Chair Wilson, and Ranking Member Foxx. Good afternoon Subcommittee Members. My name is PJ McGrew and I serve as the Executive Director for Indiana Governor Eric J. Holcomb's Workforce Cabinet. I'm pleased to be able to provide and speak to you today about the unique and successful program he has implemented in Indiana to address critical workforce shortages, providing Hoosiers with the skills they need for greater economic mobility.

The Governor's Workforce Cabinet serves as the state's workforce board as outlined in the Workforce Innovation and Opportunity Act however, we serve as much more than a typical workforce board.

In 2018 at the direction of Governor Holcomb we were tasked to rethink how our workforce system operated. We worked with the State legislature to separate and elevate our workforce board from within the Department of Workforce Development, restructure our membership, and added additional responsibilities that would allow us to begin to break down the silos that exist between State and Federal programs.

The restructuring of our workforce board necessitated a waiver from the U.S. Department of Labor. Our cabinet is still comprised of a majority of employer partners however, our Chair is from within State government, and that helps us coordinate day to day operations across State agencies.

The Governor's Workforce Cabinet is able to coordinate activity across the Department of Workforce Development and the Commission for Higher Education on the state's signature state-funded workforce program NextLevel Jobs.

NextLevel Jobs was created in partnership with the Governor and the Indiana general assembly in 2017 and includes two different funding streams: The Workforce Ready Grant, and the Employer Training Grant.

Our Workforce Ready Grant program is targeted to individuals and includes free training for up to a 1-year certificate, and several post-secondary institutions as well as qualified providers on our eligible training provider list maintained through WIOA.

Each program must be in one of five targeted sectors that are vital to the state's economic growth, advanced manufacturing, building and construction trades, business and IT, health and life science and transportation and logistics. The training must also meet a threshold for wages and occupational planning.

In just 3 years of operation we have had over 44,000 individuals enroll in training, 22,000 individuals complete, and we are seeing median wage gains of \$6,800.00 1-year post program completion.

Last year under the leadership of Governor Holcomb and the new cabinet, Indiana submitted its first combined WIOA plan, A Better Future for Every Hoosier. In the plan we prioritized integration across State and Federal programs, and we are now leveraging our local workforce boards to help implement our NextLevel Job's programs.

This type of collaboration would not be possible without restructuring and redesigning the role of the State workforce board to be more intentionally focused on other parts of the talent development system other than WIOA. A key focus of our State plan also includes better employer engagement, and the other critical component of our NextLevel Jobs program includes an investment in employer-led training through our Employer Training Grant program.

Employers can work with a business service representative from their local workforce board, or directly with the Department of Workforce Development to access the grant. Employers fill out a brief training plan and once the training is complete and we have verified wage gains and employment retention, the employer is eligible for up to a \$50,000.00 reimbursement to help cover the costs of training.

Over the past 3 years over 2,900 employers have participated in the program. We've trained 26,500 individuals, and we're seeing average wage gains of \$5,900.00 per year post-training. Access to training is only one variable in the equation to help provide Hoosiers an opportunity to gain quality employment. Career coaching and working with employers to identify their needs are reasons that we have been proud to partner with the Markle Foundation in Skillful, Indiana the past 3 years.

In partnership with Skillful, we have launched the Governor's coaching corps. This annual cohort of career coaches was established to provide comprehensive training to career coaches from across the talent development system. During the pandemic we were able to work with Skillful to quickly transition they're in-person training to online modules that were piloted within our community college system and are now being scaled beyond.

Skillful has also been working with our local boards and employers across the State to take a deeper look at the skills necessary for open positions throughout Indiana. This has resulted in more employers transitioning to skills-based hiring practices.

We're extremely proud of the progress we've made in Indiana to address critical workforce shortages and believe the work we have

done can help serve as a model to how State and Federal programs can work together to serve clients throughout the system.

With targeted investments and training programs, we could help equip more Americans with the training necessary to connect occupations that provide greater economic mobility, and employers the talent they need. Thank you for the opportunity to provide Committee Members an overview of our work, and as the conversation to reauthorize this important Federal legislation continue, we stand ready to help serve you all. Thank you.

[The prepared statement of Mr. McGrew follows:]

PREPARED STATEMENT OF PATRICK J. MCGREW



TO: Education and Labor Subcommittee on Higher Education and Workforce Investment
 FROM: Patrick (PJ) McGrew, Executive Director, Governor's Workforce Cabinet
 RE: Workforce Innovation and Opportunity Act Reauthorization: Creating Employment Pathways for Dislocated Workers
 DATE: May 25, 2021

My name is Patrick J. (PJ) McGrew, and I serve as the Executive Director for Indiana Governor Eric J. Holcomb's Workforce Cabinet. Thank you Chairwoman Wilson and Ranking Member Murphy for the opportunity to speak today about the unique and successful programs we have implemented in Indiana to address critical workforce shortages providing Hoosiers with the skills they need for greater economic mobility. Governor Holcomb listed Workforce Development among his top tier priorities in his first and second terms as the record-breaking expansion and business investment in Indiana continues.

The Workforce Cabinet serves as the state's workforce board as outlined in the Workforce Innovation and Opportunity Act (WIOA). However, we serve as much more than a typical workforce board. Early in his first term, Governor Holcomb recognized that finding solutions to our workforce issues were paramount to both Indiana's long term economic viability and the economic mobility of Hoosiers. As such, in 2018, at the direction of Governor Holcomb we were tasked to re-think how our workforce system operated. We worked with the state legislature to separate and elevate our workforce board from within the Department of Workforce Development, restructure the membership (the board had grown to an unwieldy 53 members), added additional responsibilities that would allow us to begin to break down the silos that exist between state and federal programs that are administered by different agencies, and began our work toward a common goal of providing individuals opportunities to receive the services they need to move into quality employment with a chance for greater economic mobility.

The restructuring of our workforce board did necessitate a waiver from the US Department of Labor (USDOL). The Cabinet is still comprised of a majority of employer partners. However, to truly operationalize the system to better serve Hoosiers, we felt that it was important to have someone from within state government be the chair rather than a CEO that does not have the time necessary to gather the goals and prioritize implementation with partner agencies for true systems change.

The Governor's Workforce Cabinet is able to coordinate activity across the Department of Workforce Development and the Commission for Higher Education on the state's signature state-funded workforce program, NextLevel Jobs that was created in partnership with Governor Holcomb and the Indiana General Assembly in 2017. The NextLevel Jobs program is Indiana's umbrella program for two different funding streams: the Workforce Ready Grant and the Employer Training Grant.

The Workforce Ready Grant is targeted to individuals and includes free training for up to a one-year certificate program at several postsecondary institutions as well as qualifying providers on our Eligible Training Provider List (ETPL), maintained through WIOA. We do have criteria for provider access that goes above and beyond our traditional ETPL. Each program must be in one of five targeted sectors that are vital to the state's economic growth: Advanced Manufacturing, Building and Construction Trades, Business and IT, Health and Life Science, and Transportation and Logistics. The training must also meet a threshold for wages, current demand, 2-year demand, and 10-year demand to be eligible. The results of

the program are overwhelmingly positive. In just three years of operation, we have had over 44,000 individuals enroll in training, over 22,000 individuals complete training, and are seeing wage gains of \$6,800 one-year post program completion.

The Cabinet plays a critical role in ensuring alignment of the programs that are available through our postsecondary providers that work with the Commission for Higher Education and those providers that work with the Department of Workforce Development through the ETPL.

Last year, under the leadership of Governor Holcomb and the new Cabinet structure, Indiana submitted its first Combined WIOA Plan, A Better Future for Every Hoosier. In the Plan, we prioritized better integration across state and federal programs, and we are now leveraging our local workforce development boards to help implement our NextLevel Jobs programs. This is a significant change to how state-funded programs and the federal workforce system have operated previously. This type of collaboration would not be possible without restructuring and redesigning the role of the state workforce board to be more intentionally focused on other parts of the talent development system rather than just WIOA. The Governor's focus has been on meeting people where they are and helping them get to the next level. With that in mind, we took a much different approach to the development of our WIOA plan and used a human-centered design process to put the emphasis on the people that were being served across the system rather than on the programs themselves.

While a focus of WIOA is to include better employer engagement between the local workforce boards and employers within their communities, we have decided to equip them with additional resources through NextLevel Jobs funding to help facilitate meeting employers' training needs.

Another critical component of our NextLevel Jobs program includes an investment in employer-led training through our Employer Training Grant program. Like the Workforce Ready Grant program, the outcomes we have seen since the inception of this program are noteworthy. Over the past three years, over 2,900 employers participated in this program, serving 26,500 individuals enrolled in training, resulting in average wage gains of \$5,900 per year.

The program was intentionally streamlined and designed not to be time consuming for employers to enroll. Employers can now work with a business service representative from their local workforce board or directly with the Department of Workforce Development team to access the grants. A state or local partner will put together a training plan that outlines the type of training that will take place, the occupation that the training will provide the individual, and the wage gain that the trainee will realize if the training is for an incumbent worker. Once the training is complete and we have verified wage gains and employee retention, then the employer is eligible for up to a \$50,000 reimbursement to cover the cost of training.

Access to training is only one variable in the equation to help provide Hoosiers an opportunity to gain quality employment. Career Coaching and working with employers to identify their needs are reasons that we have been proud to partner with Skillful Indiana the past three years. In the fall of 2018 Governor Holcomb and Markle Foundation CEO and President Zoe Baird announced that Indiana would become the 2nd Skillful state. Skillful is a non-profit initiative of the Markle Foundation aimed at enabling all Americans to secure good jobs. In partnership with Skillful, we have launched the Governor's Coaching Corps. This annual cohort of career coaches was established to provide comprehensive training to career coaches from across the system. Participation has included coaches from K-12, Vocational Rehabilitation, the workforce boards, community college, and adult education all working together to provide comprehensive career coaching to clients regardless of where they access those opportunities. The nature of the training was an intensive, in-person model that was disrupted by the pandemic. We were fortunate

to receive grant funding enabling us to transition the training for career coaches into online modules and are now using them to help train all our career coaches within the community college system and beyond. Skillful also plans to utilize that training as a model in other states they partner.

Skillful has also been working with our local boards and employers across the state to take a deeper look at the skills necessary for the 100,000+ open positions throughout Indiana. This has resulted in a train-the-trainer model where employers are transitioning to more skills-based hiring practices rather than simply using a degree as a proxy for what is necessary for employment.

We are extremely proud of the progress we have made in Indiana to address critical workforce shortages while providing Hoosiers with 21st century skills. However, there is always room for improvement especially as we work to connect Hoosiers to programs and resources needed to move from unemployment or low paying job to a promising career pathway.

The Workforce Innovation and Opportunity Act has lofty goals, but some of those concepts have had a negative impact in practice. For example, changes to the infrastructure agreement concept and process can be improved upon so there is less friction between core programs and partner programs by allowing state boards to help facilitate those conversations. Incentivizing collaboration may be a way to help strengthen those partnerships.

Flexibility in how funding can be utilized and the way in which the system is funded could provide enhanced implementation of programs through the local boards. The pandemic has taught us that shifts in employment can happen rather quickly, and reliance on the unemployment rate for the amount of funding available could be examined.

Better connectivity between the workforce and education systems would provide a bridge from current employment to lifelong learning and an actualized career pathway. We hear quite often from our boards that there are not enough training funds available. If there was some connection to the education system, financial aid dollars could be utilized to help offset training costs, in particular through the community college system. Any additional flexibility regarding Pell eligibility for non-credit programs on a state's ETP that count toward credit bearing programs through prior learning assessments would make a great pilot for states that have set up programs like our NextLevel Jobs program.

Restructuring of state workforce board membership requirements could also provide better connectivity between state and federal programs similar to Indiana's positive results with the creation of the Governor's Workforce Cabinet and subsequent waiver from USDOL.

In summary, again, thank you for the opportunity to provide members of the Committee with Indiana's experience and recommendations for improvements in WIOA as debate begins to reauthorize this important federal legislation. Indiana stands ready to serve as a model program, measuring results and impact in wage growth and upward mobility in key sectors of our growing economy.

Chairwoman WILSON. Thank you, Mr. McGrew. Next, we'll hear from Mr. Sigelman.

STATEMENT OF MATT SIGELMAN, CHIEF EXECUTIVE OFFICER, BURNING GLASS TECHNOLOGIES, BOSTON, MASSACHUSETTS

Mr. SIGELMAN. Good afternoon, Chairwoman Wilson, Ranking Member Foxx, distinguished Members of the Committee, and thank you for the opportunity to testify today about this important issue. My name is Matthew Sigelman, I'm the CEO of Burning Glass Technologies, a leading labor markets analytics company.

Our big data analysis of job postings and of career histories gives us a unique perspective on what employers want, what workers need, and what kind of workforce system the country should pursue as Congress considers reauthorization of the Workforce Innovation and Opportunity Act.

The challenge facing the American work is unprecedented. The short-term disruption of the pandemic combines with a longer-term trend of profound change, and even disruption in skills. Across the economy 30 percent of the skills required in the average occupation today are different from those needed just a decade ago.

In fact the velocity of skill change is outpacing the ability of traditional labor market information sources even to track it. In addition there is a growing disjoint between the skills of America's workforce, and the skills sought by employers. The problem is par-

ticularly acute in underserved communities where the opportunity gulf has existed for decades.

A study by Policy Link in University of Southern California using data from Burning Glass estimated there were 2.3 trillion dollars in unrealized economic opportunity in 2018 alone because of the inequity in the workforce. This supply/demand mismatch will serve as a potent drag on our national economy, a driver of inequality, and a threat to America's ability to be globally competitive.

Fortunately, there are opportunities to reframe the model of workforce development. These new skill adjacency methodologies such as that developed by Burning Glass for the World Economic Forum build on the skills workers already heavy to identify the shortest, most efficient reskilling paths.

For instance, a laid-off administrative assistant making on average about \$36,000.00 a year can share many skills with a production planner. Now that's a role with a strong future, an average salary of \$49,000.00 a year as opposed to \$36,000.00 and direct path onward to clear as a logistician earning \$78,000.00 a year.

So by targeting the specific skills required to follow this pathway such as building inventory management skills, the workforce system can place people more quickly, less expensively, and with greater long-term success. From this perspective we need a workforce system that brings us closer to three great objectives. First, we need a system that can better support the displaced.

Now this is the primary mission of the workforce system as it exists today, yet the massive dislocation caused by the pandemic underscores how ill-prepared we are. To meet this challenge the workforce system must go beyond focusing on referring people to jobs.

Instead the workforce system will need to train people for the specific skill gaps that will enable their transition. It will need to assess eligible training provider list, EDPL programs rigorously against metrics of demand to ensure that funds are spent on programs that lead to good opportunities, and not to dead ends.

It will need to leverage modern skill-based methods for identifying a wider set of relevant job openings for each worker, and our workforce system will need to empower workers themselves with the information they need to navigate the opportunity.

Second, we need a system that can provide critical skill development resources for all American workers, not just for those who have been displaced, or who are at risk. We often hear of jobs being created and destroyed by technology, but the more significant impact is in how fast existing jobs are being reprogrammed.

The rapid pace of skill change will demand that many workers gain skills just to keep the jobs they have. The need for lifelong learning has been evident for some time, but it is also evident that our workforce and educational systems are not equipped currently to support it.

This will require that workforce funding be restructured to provide for ongoing learning over time even after a worker has been successfully placed. And third, we need a system that can be a better partner to industry. Today's system is focused on how to place unemployed workers in jobs, but we need to go beyond that and shift more of our focus to opportunity.

What are the opportunities for those workers, and what are the skills employers demand to unlock those careers? That will require a workforce system with new information sources aligned not only with what employers are looking for today, but also the strategic trends that will shape what industry needs tomorrow.

Skills are increasingly becoming the currency of the job market. We all can play a vital role in assisting American workers to thrive in this new landscape. Once again thank you for inviting me to testify. I look forward to your questions.

[The prepared statement of Mr. Sigelman follows.]

PREPARED STATEMENT OF MATHEW SIGELMAN



Testimony by Mathew Sigelman, CEO Burning Glass Technologies, to the House Subcommittee on Higher Education and Workforce Training

May 28, 2021

Good afternoon, Chairwoman Wilson, Ranking Member Murphy, and distinguished members of the committee, and thank you for the opportunity to testify today about this important issue. My name is Mathew Sigelman and I am CEO of Burning Glass Technologies, a leading labor market analytics company. Our big data analysis of job postings and career histories gives us a unique perspective on what employers want, what workers need, and what kind of workforce system the country should pursue as Congress considers reauthorization of the Workforce Innovation and Opportunity Act.

The challenge facing the American worker is unprecedented. The short-term disruption of the pandemic combines with longer-term trends to accelerate the displacement of American workers while exacerbating talent shortages for industry. Advanced technologies and automation continue to redefine the job market, with new roles emerging, some falling away, and many more demanding new skills. Across the economy, 30% of the skills required in the average occupation today are different from those needed just a decade ago, **challenging both workers to remain relevant and employers to keep their workforces from becoming obsolete.**

In fact, there is a growing disjoint between the skills of America's workforce and those sought by employers. This disjoint constrains mobility, narrowing the landscape of opportunities accessible to workers while curbing productivity and economic growth by eroding the nation's skill base. As a result, millions of workers may remain on the sidelines even as employers face a severe shortage for future-ready skills to grow their business. **A million displaced waitstaff will not help industry fill one cybersecurity opening.** This problem is particularly acute in underserved communities where the opportunity gap has existed for decades. Ultimately, both worker and industry will suffer, and this supply-demand mismatch will serve as a potent drag on our national economy and America's ability to be globally competitive.

Some of the key considerations I will cover in more detail in my testimony include:

- Jobs and skills are changing faster than traditional labor market information systems can track;
- The current workforce system focuses on placing people as fast as possible, rather than focusing on the best opportunities or on building the workforce that industry needs;
- We need to apply metrics of demand and of job quality in assessing and prioritizing workforce investments; and,
- Our current workforce training system is designed to retrain people from scratch, rather than leveraging what workers already know. By leveraging "skill adjacencies," the workforce system can place people more quickly, less expensively, and with greater long-term success.

To remake the workforce system to meet these challenges demand, the new version of WIOA will need to address these six imperatives:

- ***Worker mobility.*** Current government and corporate policies are focused on filling jobs instead of helping workers navigate and move up within an increasingly complex job market. For workers, these issues include a lack of information on which better jobs may be accessible to them, which skills and credentials will unlock those opportunities, which local or online programs will help prepare them, and where those jobs can be found.
- ***Equitable opportunity.*** Prior economic recoveries have largely resulted in continued patterns of inequitable access to opportunity, earnings, and wealth creation. These inequities have been serious barriers to progress for diverse communities. Such inequities, which have deepened during the current crisis, mean that **large swaths of the workforce are not meeting their potential**. That lost potential is not only a tragedy for individuals but a loss of economic output to business and the nation. **Breaking down barriers and promoting the advancement of those who have lacked access to mobility must be a guiding factor in the design of any workforce policy initiative.**
- ***Ongoing skill development.*** Automation and digitalization of work are driving extraordinary growth and efficiency. Unfortunately, this growth carries the tangible risk of obsolescence for many workers, particularly those who have been in the same job for an extended period and who have had limited opportunities for re-skilling or reimagining how their skills can be valued in the evolving marketplace. Navigating this market carries the imperative for enabling workers to re-skill and up-skill dynamically. **Market needs should prioritize which skills to develop. Education and training infrastructure is needed to help workers acquire skills on the fly.** And more effective credentials are needed to help workers claim the skills they have developed and to help employers identify qualified talent more efficiently.
- ***Actionable data.*** Jobs and skills are changing faster than traditional labor information's ability to measure them. **Current government data sources provide essential macroeconomic data, but cannot provide the granular, microeconomic data needed to respond to skill gaps and offer targeted, effective learning programs.** In addition, we need more rigorous metrics for assessing the value of jobs in order to prioritize those that are not only in demand but which also provide good wages and serve as stepping stones to upward mobility for workers.
- ***Good quality jobs.*** The current system, with its focus on placement, does not take the quality of employment into sufficient consideration. This has significant consequences for workers, particularly opportunity youth or other workers facing obstacles. Research conducted on opportunity youth for the Schultz Family Foundation found that half of these young workers are able to move from their first job into one with better pay or opportunities in five years—but by

the same token, half do not.¹ In joint research with Jobs for the Future, Burning Glass developed a frame for assessing good jobs for middle-skill workers, based on pay, career stability, and opportunity for advancement.²

- Springboard jobs that lead to careers. Workers often advance to different roles with more responsibility and greater pay within the same career area. Business and IT feature many springboard jobs.
 - Lifetime jobs, which are careers in themselves. Workers rarely advance to higher-level positions, but these jobs usually pay well and offer long-term stability. Lifetime jobs are common in health care (dental hygienists are an example) and manufacturing.
 - Static jobs, which offer low pay, high turnover, and don't typically lead to careers. Medical assistants and assemblers of electrical equipment are examples.
- ***Return on investment.*** Research undertaken by Burning Glass for the World Economic Forum shows that it is cheaper for both government and business to reskill existing workers at risk of being displaced rather than to fire and rehire.³ But that depends on government, employers, and training providers having access to timely job market data and career pathways by which to target transitions and design highly efficient retraining programs. **Identifying the specific skills current workers have and the ones they will need is the key to providing good return on investment for employers, learners, and taxpayers alike.**
 - ***Demand-driven workforce development.*** More of today's workforce development systems and policies are oriented toward finding jobs for workers than to finding workers for jobs. Particularly at a time when millions have been displaced, that may seem appropriate, but it does not face the larger problem. **When the goal is to create a bridge to good work, it is critical to start out with a clear data-driven awareness of the landscape of opportunity.** Just as importantly, current systems are designed to place one worker at a time vs. creating connections at scale, bridging between key areas of demand and major pools of displacement.

From this perspective, we need a workforce system that brings us closer to three great objectives:

- ***A system that can better support the displaced and those at risk:*** This is the primary mission of the workforce system as it exists today. Yet the massive, unprecedented dislocation caused by the COVID-19 pandemic underscores how ill-prepared we are. Even without the pandemic,

¹ Burning Glass Technologies, Entry-Level Work as a Stepping Stone, Not an End Point, January 2021, <https://www.burning-glass.com/research-project/entry-level-work-stepping-stone-not-end-point/>

² Jobs for the Future and Burning Glass Technologies, "When is a Job Just a Job, and When Can it Launch a Career?", <https://www.burning-glass.com/research-project/when-job-just-job-when-launch-career/>

³ World Economic Forum, Toward a Reskilling Revolution, January 2018, http://www3.weforum.org/docs/WEF_FOW_Reskilling_Revolution.pdf

however, the U.S. is facing significant potential displacement of workers by the triple forces of automation, digitalization, and hybridization of jobs. **To better serve displaced workers, the workforce system will need to go beyond referring people to jobs.** Instead, it will need to:

- Make training more efficient and effective by **training workers for the specific skill gaps that will enable their transition, building on workers' existing skills vs. training people up from scratch;**
 - Assess rigorously the relevance of eligible training provider list (ETPL) programs against metrics of demand and to **make sure that workforce funds are not being disbursed on programs that don't lead to good opportunities;**
 - Leverage more modern skill-based methods for **identifying a wider set of relevant job openings for each worker that don't necessarily correspond directly with prior occupations;**
 - **Empower workers with the information they need** to navigate to opportunity; and
 - Provide workers **ongoing skill development over time** to help those displaced regain income that is all too often lost upon initial transition.
- ***A system that can provide critical skill development resources for all American workers:*** We often hear of jobs being created and destroyed by technology, but the more significant impact is in how fast existing jobs are being reprogrammed. **The rapid pace of skill change will demand that many workers gain skills just to keep the jobs they have. The need for lifelong learning has been evident for some time, but it is also evident that our workforce and educational systems are not equipped to support it.** Among other things, this will require that workforce funding be restructured to provide for ongoing training over time, even after a worker has been successfully placed, so that workers have a means of continuing to progress – a critical both to helping
 - ***A system that can be a better partner to industry:*** Today's system is focused on the supply of workers, i.e., how to place unemployed workers in jobs. We need a system that is more focused on the opportunities for those workers, represented by the skills employers demand. That will require a workforce system with new information sources, closely aligned not only with what employers are looking for today but also the strategic trends that will shape what industry needs tomorrow.

Skills are increasingly becoming the currency of the job market. WIOA can play a vital role in assisting American workers to thrive in this new landscape.

MAJOR TRENDS IN THE JOB MARKET

Burning Glass Technologies, founded in 1999, is a pioneer in the use of big data to analyze job postings. We monitor close to 50,000 job sites daily and at any one time are tracking some 3.4 million current openings. Our database holds more than a billion current and historical job postings, enabling us to identify trends and see changes in the job market quickly. We also track and analyze the career histories

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of more than 300 million workers globally – over 75 million US workers (around 40% of the US workforce), enabling us to follow real-life career trajectories and see how careers unfold.

This is a powerful microeconomic complement to the valuable data collected by government agencies, such as the Bureau of Labor Statistics. These survey-based data sources provide excellent high-level macroeconomic information and can track trends going back decades. However, surveys are slow to field and require careful methodological work to ensure they are compatible with previous data. As a result, government data are less granular and are slower to pick up on emerging trends. For example, data scientist, a major emerging job role and a force for change across the economy, was only added to the O*NET categories in 2018, after having been an identifiable occupation in the marketplace for a decade.

Even more importantly, **servicing workers requires a granular and real-time awareness of specific opportunities and the skills and credentials local employers require. That kind of actionable insight isn't available through the macroeconomic lens of public data.** By contrast, real-time job posting data provide critical intelligence at the sub-occupational level, including robust detail on skills and how requirements vary often widely by location and by sector. For example, **the skills required for a marketing career in Minneapolis are considerably different from those required for comparable roles in Silicon Valley.** Instead of waiting for experts to assess the skills needed for an occupation, we can see what employers are asking for in near-real time and, instead of assuming the same set of skills for every job within an occupation, we can track these kinds of variances.

One of the most significant trends we can see in the labor market is the incredible, technology-driven pace of change in the skills that make up most jobs. A Harvard study by the economist David Deming, using Burning Glass data, found that the skill base of many jobs changed up to 40% between 2008-2018.⁴ It is perhaps no surprise that computer programmers and mechanical drafters have seen high rates of skill change, but even traditional roles such as actuaries, production technicians, and insurance claims clerks have seen major changes in required skills. Eight in ten middle skill jobs are now digitally intensive and those that are digitally intensive are growing twice as fast and are twice as likely to pay a living wage. **This raises critical questions about the ability for workers to keep up and avoid becoming obsolete.**

Upcoming research from Burning Glass suggests that the **COVID-19 pandemic has speeded up this process.** Requests in job postings for many skills jumped sharply from 2019 to 2020, such as use of PPE (177%), video conferencing (159%), and sales management (132%).

One manifestation of this fast pace of change is that **more and more jobs are mixing skills from different fields.** Consider the mobile app developer, an occupation that did not even exist before the invention of the smartphone. This might seem to be a programming role, but in addition an app developer needs to understand content development, marketing, and UI/UX programming. Or think of

⁴ Deming DJ, Noray K. [Earnings Dynamics, Changing Job Skills, and STEM Careers](#). Quarterly Journal of Economics, May 2020

data scientists, a role that as recently as 2010 encompassed a mere 150 job postings, mostly Ph.D statisticians working for Wall Street banks. In the past 12 months there were more than 35,000 postings for this job as “big data” became a mainstream (and highly disruptive) skill.

The phenomenon exists outside of technology roles. Marketing managers, for example, are increasingly called on to understand data analysis. A marketing manager who knows SQL can command a 41% salary premium compared to one who doesn’t. The challenge is also not limited to higher-skill jobs: middle-skill roles such as sales representatives across many fields, now have to master customer relationship management software and other technological tools.

Increasingly to employers, the ideal worker is one who has a combination of business skills, technical skills, and human skills: not just the ability to complete a specific task but to fit it into a business strategy and communicate it to others. In a study with the Business-Higher Education Forum, Burning Glass identified 14 of these New Foundational Skills.⁵ Not every worker will need every one of these skills, but the various combinations are potent in the job market, carrying salary premiums for job seekers.

This rising trend of jobs mixing skills from across domains presents new challenges to the workforce system. **Even as demand returns in recovery, those who have worked in a field for decades may no longer have the skills needed to be rehired.** In addition, when jobs call for entirely new skills, it is less likely that workers will simply pick these new skills up as they go along. The workforce system needs to be able to track these changes and help workers to build the skills required to stay relevant.

PATHWAYS FOR ACTION

The following practical policy principles address these imperatives for American workers and industry alike, both in the near-term as we emerge from pandemic and over the decade ahead:

Opportunity pathways for displaced workers based on “skill adjacency.” One of the greatest failings of the modern labor market is also its greatest opportunity: **that opportunity and talent are often only a few skills apart.** Whether due to pandemic, automation, or decarbonization, displacement will be the dark underside of the transformations of a dynamic economy. Evidence from past recessions suggests that many displaced workers remain permanently sidelined, lacking the skills to make effective transitions, the resources to increase those skills, or the guidance to help them choose the best path.⁶ In a recession, displaced workers may well have to accept a “lifeboat job” as an emergency measure.⁷ But they should not have to accept a permanent decline in their standard of living. Traditional workforce

⁵ Burning Glass Technologies, The New Foundational Skills of the Digital Economy, February 2018, <https://www.burning-glass.com/research-project/new-foundational-skills/>

⁶ Carter, J. Braxton and Bledi Taska “Technology Adoption and the Consequences of Job Loss,” (2020), Working Paper, Minnesota University

⁷ Burning Glass Technologies, Filling the Lifeboats: Getting America Back to Work after the Pandemic, May 2020, https://www.burning-glass.com/wp-content/uploads/2020/05/Lifeboat_Jobs_Burning_Glass.pdf

retraining programs have struggled to deliver satisfactory results because they seek to train workers from scratch, making little account for the skills workers already possess. As a result, workers stay out of the workforce longer and programs prove more expensive.

By contrast, [new skill adjacency methodologies](#), such as that developed by Burning Glass for the World Economic Forum, account for a displaced worker's existing skills in order to identify target occupations with highly efficient reskilling paths.⁸ For instance, a laid-off administrative assistant (making \$36,000 on average) shares many skills with a production planner, a role with a strong future, an average salary of \$49,000, and a direct path to becoming a logistician earning \$78,000. This methodology, driven by real-time data, highlights this opportunity pathway and empower the displaced worker to begin the transition by learning inventory management and a handful of other skills. Workforce funding should prioritize programs that provide direct pathways from occupations with high levels of displacement to in-demand employment, but that avoid redundancies in the skills they teach.

Programs using this approach should be required to demonstrate:

- The level of skill adjacency between the original and target occupations;
- That the target occupation is in high demand locally;
- That the target occupation represents a wage gain or at least wage parity for the customer; and/or,
- That the target occupation has a high level of upward mobility and resistance to automation for workers.

Connect the Unemployment Insurance and Workforce systems. As of early March 2021, there were more than 20 million Americans receiving some form of unemployment insurance. Amidst this unprecedented displacement, the goal of the UI system should be more than simply processing benefits but rather getting recipients back to work as soon as possible. Minimizing the duration that recipients need benefits is not only essential for workers and the economy but also critical financial stewardship for the UI Trust Fund. **Yet UI and workforce systems, while usually housed in the same state agency, don't coordinate well.** UI systems are primarily concerned with making payments and preventing fraud, rather than re-employment.

Requiring UI recipients to enroll in the workforce system at the same time as they file UI claims would have multiple benefits. For a start, it would enable better data sharing across the parallel systems and would encourage a single, integrated platform. Not only would this make the process less onerous for recipients, but it would also give workforce agencies access to real-time intelligence as to which industries are shedding workers so that targeted reskilling programs can be launched. This would also allow workforce agencies to tap into talent pool of UI recipients for open job orders. Ultimately, this could help to reduce the months-long delay between layoff and re-employment—a delay that is demoralizing and economically devastating to families and costly to the taxpayers.

⁸ World Economic Forum, *Toward a Reskilling Revolution*, January 2018, http://www3.weforum.org/docs/WEF_FOW_Reskilling_Revolution.pdf

Driving equitable growth and mobility through skills. [Recent research](#) from Burning Glass and PolicyLink shows that the pandemic recession has done the most damage to the communities that were already furthest behind.⁹ For the American economy to rebound successfully from the pandemic, there is a growing imperative to ensure that underserved communities are not left behind. Even before the pandemic, racial inequity hindered national growth, leaving up to \$2.3 trillion in unrealized economic gains on the table in 2018 alone.

With the pandemic exacerbating inequities for underserved communities of every background, this drag continues to grow, further weakening our national competitiveness. **As for all those who have been displaced, skills can be an engine for equitable growth, creating new opportunities for women and people of color. The key here is to reframe our thinking about diverse worker communities, not as people without prospects or skills but as reservoirs of talent that can be leveraged to solve critical labor shortages.**

Applying skill adjacency models, such as those described above, enables the identification of diverse talent pools that can be rapidly reskilled, unlocking opportunity for workers and opening new pipelines of diverse talent for employers. Funding programs that map diverse talent pools to high-value, critical talent needs of industry can open new talent escalators for people of color and women, ensuring that the economic growth of our communities can create shared prosperity.

As an example, one potential policy solution may involve providing special incentives for opportunity pathway programs that bridge between occupations in which women and people of color are overrepresented and higher-paying occupations with lower rates of diverse worker participation. For example, some 41% of shipping clerks are people of color. By adding skills in inventory management, bills of lading, and Excel, these workers can become inventory specialists, a field that pays \$5,000 more on average and is only 31% people of color. By adding project management among other skills, these workers can then become operations coordinators, who make \$10,000 more than shipping clerks and are 23% people of color.¹⁰

Equipping America's community colleges as infrastructure for upskilling and reskilling. At a time when millions of working Americans need to acquire new skills to stay relevant or to transition to new careers, community colleges represent a [critical infrastructure](#). **They are in prime position to serve as growth engines within their local communities by enabling workers, both employed and displaced, to gain premium skills inexpensively and quickly.**

However, **today community college resources are primarily oriented toward facilitating transition to four-year institutions**, with about 70% of community college conferrals comprised by associates of arts “transfer degrees” that have little value in the job market. Further, the National Student Clearinghouse

⁹ PolicyLink and USC Dornsife Equity Research Institute, *Race and the Work of the Future: Advancing Workforce Equity*, October 2020, <https://nationalequityatlas.org/research/race-and-the-work-of-the-future>

¹⁰ Burning Glass data

(NSC) estimates that only 13% of those who enroll in transfer degree programs complete a four-year degree.¹¹

Community colleges should be refocused towards the workforce-related training and credentialing they do best, as well as the needs of the communities and local economies they serve. **Community college funding should be focused on workforce programs that can demonstrate in real-time labor market data that they are directed toward preparing learners for high-value, in-demand jobs.** Federal student assistance should be made available to non-degreed programs of demonstrated labor market relevance, with priority given to those that deliver industry-recognized credentials of value to employers. Special funding should also be allocated to community college programs that enable upward transitions for displaced workers or that facilitate pathways to workforce equity for diverse communities, as described above. These workforce programs must also receive the same recognition and be valued alongside of the academic and transfer programs. Participants should be able to apply that shorter-term learning towards academic credentials and transferability if they wish to later on. Choosing a path that leads to valuable work must not foreclose or hinder eventual transfer and degree completion.

Building the talent base for critical economies powering the post-pandemic recovery. The post-pandemic economy may look different from the pre-pandemic boom. Employers use recessions to rethink their needs and are reluctant to hire back. In addition, this recession shifted the nature of work, disrupting supply chains and making remote work more viable.

Burning Glass analysis projects the changes will drive growth in five new ‘economies,’ likely to create 15.5 million to 18 million job openings in the next five years alone: the Readiness Economy (e.g., cybersecurity), the Logistics Economy (e.g., advanced manufacturing), the Green Economy (e.g., renewables), the Remote Economy (e.g., AR/VR), and the Automated Economy (e.g., AI). These economies are projected to grow at double the rate of the job market overall and will come to constitute one in six American jobs by 2026 – jobs that pay well above the national average.¹²

This is a tremendous opportunity. Yet, many jobs within each economy will require advanced skills that are already in short supply. This raises the specter of a significant mismatch between the current workforce and the workforce needed for the decade ahead. Some of these skill gaps, such as in cybersecurity, infrastructure, or biotechnology, could also have significant implication for national security and public health. Meeting this demand will require greater investment in reskilling our workers, starting with shortest, most cost-effective means. Central to this effort is the utilization of skill pathways that enable workers to build on skills they possess to target “adjacent” jobs that offer better prospects for pay and promotion. These pathways should be complemented with financial incentives for employers in these target economies to make hiring commitments and to invest in workforce skills of

¹¹ Opportunity America, The Indispensable Institution: Reimagining Community College, June 2020 https://opportunityamericaonline.org/wp-content/uploads/2020/06/Indispensable_Inst_FullReport.pdf

¹² Burning Glass Technologies, After the Storm: The Jobs and Skills that will Drive the Post-Pandemic Recovery, February 2021, <https://www.burning-glass.com/research-project/after-storm-recovery-jobs/>

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currency to the market. Together, these actions can enable millions of existing workers to find gainful employment in the economic growth engines of tomorrow.

Demand-driven assessment of workforce education and training investment. With millions of workers displaced, both federal and state governments will spend heavily on education and retraining programs. However, the determination of which programs to fund are often qualitative and frequently political. As such, **there is often deep misalignment between the training programs that are offered and is the high-value jobs that are actually in demand locally.** In our recent [nationwide study of state career and technical education \(CTE\) programs](#), we found that only 18% of credentials earned are actually sought by employers while many valuable credentials go undersupplied.¹³ We believe that there may be similar misalignments between workforce system programming and opportunity for American workers. There have been some efforts to use longitudinal analysis of career outcomes to evaluate program efficacy but this kind of tracking is typically only available for degree programs and requires many years of data. At a time of great disruption, that is akin to driving a car by looking in the rearview mirror. Yet the kinds of programs that will be most critical for worker reskilling and upskilling need to be highly responsive: short in form and able to be launched quickly to address emerging skill requirements in a dynamic market.

What is needed is an evaluation mechanism that is real-time in nature and calibrated to the specific contours of the local opportunity landscape. Real-time data sources provide critical insight for prioritizing program investment, including and workforce system Eligible Training Provider Lists (ETPL). Funded programs should be required to provide data-driven validation of alignment to high-value careers through real-time sources. In this way, we can ensure that public investment isn't wasted and that workers are set on a better path for success.

There are three specific performance metrics cited in WIOA that could be strengthened using more actionable data:

Credential attainment

The current standard is attainment of any recognized postsecondary credential. But as Burning Glass research shows, not all credentials are actually in demand by employers. An alternative approach would be to require programs to demonstrate that clients obtain credentials with quantifiable local or regional demand. This would channel resources into the most promising programs instead of a scattershot approach.

¹³ ExcelinEd and Burning Glass Technologies, Credentials Matter, September 2020, <https://www.credentialsmatter.org>

Measurable Skill Gains

The current standard is enrollment in a program that leads to a recognized postsecondary credential. This neither measures the actual attainment of skills, nor does it offer any guarantee that those skills are in demand. The alternative approach would be to require programs to be targeted toward:

- Actual skill gaps or skills in demonstrable demand (as shown by job posting data);
- Technical skills in current or projected demand; and,
- Recognized foundational skills that promote employment prospects across all jobs.

Effectiveness in Serving Employers

The metrics proposed above would lay the foundation for an effective evaluation system from the point of view of employers. Both survey and qualitative assessments of employers could assess their views on key questions about the success of workforce programs:

- Do employers feel that workforce customers who held specific credentials were job-ready?
- Do employers feel that the workers referred to them by the workforce system have the necessary skills?

Overall, the challenges are great in creating a workforce system that works, but so is the opportunity. The right policy can unlock opportunity, mobility, and economic potential for individuals, communities, businesses, and the nation as a whole.

Thank you again for the opportunity to testify before the Subcommittee and I look forward to answering your questions.

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Chairwoman WILSON. We will now hear from Mr. Wu, Ms. Wu I'm sorry.

STATEMENT OF PORTIA WU, MANAGING DIRECTOR, U.S. PUBLIC POLICY, MICROSOFT CORPORATION, U.S. GOVERNMENT AFFAIRS

Ms. WU. Thank you, Madam Chair. Thank you to Full Committee Chair Scott and Ranking Member Foxx, and I also want to thank Congresswoman Jayapal for that kind introduction. Members of the Subcommittee thank you for inviting me to testify today. My name is Portia Wu, and I'm here on behalf of Microsoft and our subsidiary LinkedIn to share our views, as leading technology providers who care deeply about our workforce system.

As Mr. Sigelman said, our economy, labor markets and workplaces have changed in fundamental ways since 2014 when WIOA was enacted, and these changes have been accelerated by the COVID-19 pandemic. If we want to have a more resilient and equitable economy, our workforce system needs to change too.

Change should include bold and innovative investments. That means not just investing more, although we believe that is critical, it also means investing smarter. Federal funds should provide more support for skills training that is relevant to employers and leads to good jobs.

We also need to leverage private sector innovations and technology so we can maximum the use of resources. This is not something government can achieve alone, employers, education, and training providers, non-profits, libraries and other stakeholders all have a role to play. I'd like to touch quickly on four key recommendations.

First, workforce systems must support people to gain technology skills over a lifetime. Technology skills have become a core requirement of every industry. I'm guessing every single person in this virtual room learned to use new digital skills or tools during this pandemic. That's because work is where most people learn new skills.

But people who are out of work, or in jobs that don't provide these opportunities are getting left behind. By some estimates roughly one-third of the U.S. workforce lacks the digital skills that are essential in today's economy, and that number is over 50 percent for black and Latino workers.

Private sector has a role to play here, and I'm happy to talk about some of our partnerships that we are supporting to advance digital skills, but truly addressing these inequities will require strong, deliberate collaboration across government.

The workforce programs that means WIOA should dedicate funds for digital skills, assessments, and training. And as part of State plans, Governors should address digital skill needs for all individuals, particularly those in underserved communities.

Second, we need to make better use of low-cost widely available resources. Now last year the world of online learning has exploded. LinkedIn learning saw an 80 percent increase in online learning, with over one million hours of content being accessed worldwide every single year.

The workforce system could do more to leverage free, or low-cost online training courses. For example, many states require that eligible training providers have a physical in-State presence, which could discourage online training.

States should update ETPL's and use other options to ensure cutting edge tools are available to assist job seekers and employers. Third, we should provide incentives for employers to upskill. The Workforce system as we have discussed is also charged with supporting employers.

During the pandemic, El Paso-based Workforce Solutions Borderplex partnered with Microsoft and city, county, and State government to launch a program to help entrepreneurs and small business owners grow their businesses with technology.

That involved helping businesses to get online and provide digital literacy training for employers and employees. More than 200 business have already participated, and the program continues to help more business and their workers to adapt and grow.

We encourage the Subcommittee to consider how WIOA can support innovative partnerships like these. It should also consider expanding flexibility and the amount of funds that can be used for incumbent worker training and encourage the use of these funds for acquisition of digital skills. Finally, we should make better use of private sector data and tools to connect workers to jobs and opportunities to learn in demand skills.

While it is important to assess what skills individuals still need to learn, we also need to find better ways to assess the skills and experience they already have. Job platforms can see information across millions of employers and jobs, and we need to use those insights to help make better connections.

For example, we know that one-third of food service workers could not go to work during the pandemic, and many of them are permanently out of a job. But food service workers typically have 70 percent of the skills for customer service jobs which are in high demand.

Employers and workers need to know of these possible skills matches to take advantage of them. WIOA should encourage and leverage skills and job matching to open up a more equitable and efficient labor market.

These are just some of the ways in which we believe our workforce system can be improved to meet the challenges of today and to better serve both workers and tomorrow's as we face the opportunities of the future. Thank you for your attention and I look forward to your questions.

[The prepared statement of Ms. Wu follows.]

PREPARED STATEMENT OF PORTIA WU

Written Testimony of Portia Wu, Managing Director for Public Policy
Microsoft Corporation

House Committee on Education and Labor
Higher Education and Workforce Investment Subcommittee

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

May 27, 2021

Chair Wilson, Ranking Member Murphy, and members of the Subcommittee, thank you for inviting me to testify today. My name is Portia Wu and I am the Managing Director for Public Policy at Microsoft, where I also focus on labor and workforce policies. Before coming to Microsoft, I had the privilege of serving as the Assistant Secretary for the Employment and Training Administration at the Department of Labor, and I led the agency during the implementation of the Workforce Innovation and Opportunity Act (WIOA) when its programs were last reauthorized. I am also a member of the board of the National Skills Coalition, which often advocates on workforce and skills policy. Today, I would like to speak with the Committee about Microsoft and LinkedIn's experiences and observations regarding the importance of lifelong learning and helping workers to connect to jobs.

This is a critical moment for action.

As this subcommittee is well aware, the U.S. economy lost more than 22 million jobs at the outset of the pandemic, and the unemployment rate reached 14.8%—the highest rate observed since data collection began in 1948. And although the economy has started to recover, there are still 9.8 million² Americans looking for work.

Pre-pandemic analyses already indicated that roughly three-quarters of U.S. jobs in this decade would require moderate or high levels of technology use. The past year has accelerated that trend. In sectors from finance to healthcare to retail, the digital adoption that many expected would take years happened instead in months.³ But our nation's workers are not prepared: by some estimates, nearly 48 million U.S. workers – roughly one-third of the total U.S. workforce – lack the digital skills that are essential in today's economy.⁴ And workers of color are even more affected, with some studies finding that over 50% of Black and Latino workers have no or limited digital skills.⁵

¹ LinkedIn is a wholly-owned subsidiary of Microsoft, with a network of 178 million+ US members.

² <https://www.bls.gov/news.release/pdf/empst.pdf>

³ COVID-19 digital transformation & technology | McKinsey

⁴ [05-20-2020-NSC-New-Landscape-of-Digital-Literacy.pdf](https://www.nationalskillscoalition.org/wp-content/uploads/2020/05/05-20-2020-NSC-New-Landscape-of-Digital-Literacy.pdf) (nationalskillscoalition.org)

⁵ [Digital-Skills-Racial-Equity-Final.pdf](https://www.nationalskillscoalition.org/wp-content/uploads/2020/05/Digital-Skills-Racial-Equity-Final.pdf) (nationalskillscoalition.org)

Big challenges require bold solutions and concerted action by every sector of our economy: private sector, government, education, and nonprofits. At other pivotal moments in our nation's history, we have responded to such needs by growing both physical infrastructure and human capital – investing not only in roads and bridges, but also in skills and education, through universal high school or the GI bill. Today, rebuilding 21st century infrastructure calls for new investments in digital infrastructure like broadband and cybersecurity, as well as in our most valuable asset, America's workers. We must ensure that all Americans have the tools and the skills that they need to succeed and thrive.

The Committee is undertaking the reauthorization of WIOA at a crucial time. The workforce system serves millions of Americans every year, providing important employment services and skills training that connect people to jobs and employers to skilled workers. Our economy, labor markets, and workplaces have changed in fundamental ways since WIOA was enacted in 2014, with the COVID-19 pandemic accelerating several changes. To succeed, the workforce system must evolve as well. Below are some observations from our experience and recommendations for how to address our economy's changing workforce needs.

Connecting people with skills and jobs – what we do and what we're learning.

Skills training programs must cast a broad net to reach individuals from many backgrounds. Opportunities that pair learning with on-the-job training experiences are key to helping workers move into skilled jobs, particularly in industries such as information technology. In recent years, Microsoft has focused on helping adult workers from a broader range of backgrounds and experiences to find opportunities not only in our industry, but also in tech-enabled jobs across the economy. For example, we offer [apprenticeships](#) to help people from underrepresented groups train for tech industry jobs, combining in-classroom and virtual learning with hands-on projects and on-site workplace experience. We also continue to support transitioning service members through the [Microsoft Software & Systems Academy](#) (MSSA), which provides 17-week courses and certifications to military servicemembers in key IT specialties, including Cloud Application Developer and Server & Cloud Administrator. To date, over 2,600 individuals have graduated from MSSA and transitioned to good jobs with over 750 private-sector employers and hiring partners. And Microsoft's [Data Center Academy](#) program has worked with community colleges and training providers, including Southside Virginia Community College and Des Moines Area Community College to provide scholarships, hands-on lab experience, recognized credentials, internships, and job opportunities in more rural areas where data centers are located.

All of these programs have helped individuals from a broad range of backgrounds attain recognized IT credentials and skilled jobs. The keys to success have included focusing on small learning cohorts, enabling access to technical support and career guidance, and providing clear incentives for program completion including, most critically, immediate opportunities to connect to good jobs.

Online learning and community partnerships can help workers gain in-demand skills.

In addition to our on-the-ground partnerships, Microsoft, LinkedIn, and GitHub⁶ support a diversity of online learning offerings. There has been tremendous demand for online learning unleashed during the pandemic: LinkedIn Learning saw an 80% increase in online learning, with over one million hours of learning content being accessed worldwide every week. To help meet these needs, last summer Microsoft launched its [Global Skills Initiative](#), which provided more than 600 free and discounted online skills courses, technical courses and certification exams.

Online learning can be a tremendous tool for individuals to gain skills—particularly for those who cannot access education during traditional hours or cannot physically go to learning institutions. However, many individuals face barriers to accessing these resources: individuals in rural or underserved communities may not have internet access or an affordable device, and many lack the basic digital skills to even embark on training. During the pandemic, as many services and training moved to remote delivery, this lack of digital access became an impenetrable barrier for many jobseekers to gain needed skills and services.

We know that individuals who face these barriers can overcome them and thrive—with the right supports, individuals are much more likely to complete courses and certifications, including online offerings. That is why Microsoft provides curriculum content, certifications and grant support to numerous U.S. based nonprofits and community-based organizations and partners with libraries, community colleges, and other training providers. For example, we have worked with partners like startup Gener8tor that support individuals to access online learning opportunities. Through that partnership, last year, Rachelle Katchenago, a mom of two in Wisconsin who was laid off at her job at a baby mattress factory, gained new certifications through online courses on LinkedIn. With these new skills, she was able to secure a full-time job as a customer service representative.

And to help address some of the racial inequities that continue to persist in our labor markets, last year Microsoft launched the [Community Skills Program](#), to provide local organizations with technology, financial support, and online learning resources so they can serve jobseekers. The program provides \$15 million dollars of funding over three years to 50 workforce development non-profits, which are led and served by African Americans and are located in 22 states plus Washington, D.C. Many partners, such as D.C.-based ByteBack, provide foundational digital skills training as an integral part of career readiness, and then help individuals bridge to more specialized training. Detroit's Focus Hope has designed new digital literacy assessments to understand beneficiaries' technology abilities and coordinate with other programs to ensure basic digital literacy skills are taught in the context of broadband deployment. And Miami's Opa-Locka Community Development Corporation focuses on combining support for social and technical skills, as well as internships, and job placements.

⁶ GitHub, the software collaboration platform home to more than 65 million developers, is a wholly-owned subsidiary of Microsoft.

Strengthening employer-based digital transformation can preserve jobs and help workers develop new skills. The workforce system is also charged with serving employers. Often this work focuses on candidate referral and placement. But thinking more broadly about the needs of employers can drive innovations that help businesses to prosper and workers to retain their jobs and attain needed skills. For example, during the pandemic, the El Paso-based Workforce Solutions Borderplex (WSB) partnered with the City of El Paso, El Paso County, Microsoft, and the Texas Workforce Commission to launch a program to help entrepreneurs and small business owners upgrade and expand their operations with technology.⁷ The program helps businesses to establish an online presence and provides basic digital literacy training for employers and employees. More than two hundred businesses have already participated, and the program continues to help more businesses and their workers adapt and grow.

Data innovations and tools can connect workers to new opportunities more quickly. Individuals who have lost their jobs want first and foremost to find new work, and quickly. Data and technology can be used not only to help workers acquire new skills, but also to help employers better recognize the skills these individuals already have. For example, during the pandemic, one in three food service workers was unable to work. Data from LinkedIn shows⁸ that those workers already have 70 percent of the skills needed to be a customer service specialist, one of the most in-demand jobs, but very few workers made that change. With better job- and skills-matching information, workers can move into jobs for which they are already a good fit, with minimal re-skilling, rather than having to start from scratch.

A shift in hiring that focuses on skills and abilities, and not solely on companies, schools, and degrees, can also help make job markets both more efficient and more equitable. We have experienced first-hand the power of opening our own recruiting processes. At LinkedIn, we tested a skills-based hiring pilot to hire for customer service roles based on proven skills. By removing traditional requirements (such as a degree or 1-2 years prior experience in a specific job position) and evaluating people based on a validated skill assessment, we were able to broaden our talent pool to hire talent from companies we typically do not hire from — ranging from grocers to big-box retailers — and improve our hiring efficiency. These promising results inspired us to launch our Skills Path pilot, to help other companies use skills-based hiring for a breadth of roles. Including customer service, sales, and business analyst roles.

Recommendations for the Subcommittee

Rapid technological and economic change mean an increased need for lifelong training, particularly digital skills training, as well as a more agile, equitable way to connect dislocated workers to jobs. The public workforce system and its partners—including community colleges,

⁷ [New WSB Digital Transformation Team Helps Businesses Transition to Digital Operations | Workforce Solutions Borderplex](#) | [New WSB Digital Transformation Team Helps Businesses Transition to Digital Operations \(borderplexjobs.com\)](#)

⁸ <https://linkedin.github.io/career-explorer/>

other technical training schools and community organizations—are severely challenged in keeping up-to-date with these rapid changes.

As an overarching matter, we need to increase skills training investments to make sure America's workers can meet the demands of changing labor markets. This is not a challenge that any one sector can meet alone—it requires greater investment by private employers and educational providers, as well as more funds, and more effective use of funds, from the public sector. We must explore ways for the public workforce system to better fulfill its charge to contribute to the economic health of our Nation by meeting the demands for high-quality, comprehensive services to increase opportunities for workers, particularly those with barriers to employment, and the competitive success of employers.

Based upon our experiences, we offer a few suggestions for modernizing WIOA programs and driving state and local innovation.

- 1. Ensure workforce systems support the attainment of key technology skills over the course of a worker's lifetime.** Workforce and education systems should support a wide variety of learning programs, from short digital literacy programs to two- and four-year degrees. The workforce system should align public and private resources to make digital literacy and skills a reality for all job seekers and workers. And WIOA programs authorized under Titles I, II, and IV and other federal partner programs should provide expanded support for digital literacy assessment and learning into the future.
- 2. Bridge digital gaps to help address equity.** Digital skills have become as foundational as literacy and numeracy. To support a more equitable and just recovery, we must insist that all workers attain and maintain these skills. As part of workforce strategic plans, Governors should address digital skill needs for all individuals residing in their states, particularly those in underserved communities. These plans also should describe how the state will help workers stay current as digital skills change. State and federal policymakers should assess the state of digital skills training, test new approaches to address needs, and bring those that work to scale. This will require rethinking programming by state and local workforce boards, American Job Centers, and Adult Education providers, as well as active engagement across broadband access, adult education, libraries, schools, and other programs.
- 3. Make better use of low-cost, widely available resources.** There are many resources available for state and local workforce agencies, including free or low-cost online training courses, competency assessments and options to earn a recognized credential. Yet there can be barriers to accessing these resources. For example, leading online training providers offer learning content based on the demand signals of millions of jobseekers and employers. Current Eligible Training Provider List (ETPL) requirements in states, such as requiring a physical in-state presence, discourage these organizations from being able to provide training to WIOA recipients. States should exercise flexibility to update ETPLs and take advantage of other cutting-edge tools to assist job seekers.

4. **Provide incentives for employers to upskill.** Employer-provided training is the single greatest source of skills attainment for working adults, particularly when it comes to technology skills. Yet many businesses, particularly small- and medium-size businesses, simply cannot chart this course on their own. The Subcommittee should consider how to incentivize such investments. This may require rethinking how to fund and provide incentives for incumbent worker training, particularly in needed digital skills. In addition, supporting employer services in the form of on-the-job training can help small- and medium-size businesses digitally transform to compete in their markets. The Subcommittee should also consider encouraging innovations to support such workforce system partnerships, expanding the flexibility and amount of funds that can be used for incumbent worker training, and encouraging states to allow incumbent worker training funds to be used for digital skills training. Only 23 states explicitly allow state incumbent worker training funds to be used for digital skills training and current federal investment fails to reach scale necessary to meet worker or business needs.
5. **Make the most of labor market and skills data and innovations.** We have a greater wealth of information available to us now than we did seven years ago when WIOA was passed. Yet there still is tremendous potential to be unlocked across public and private data systems. Online job postings and the information from job platforms can be leveraged through American Job Centers and other workforce partners to provide critical insight into the specific skills most demanded by employers. Innovations should support tools to help workers and employers to understand what skills are most likely to be translatable to other jobs, and to encourage skills-based hiring. In addition to continuing to support investment in existing resources that provide occupational skill and credential information, federal agencies should work to develop additional sources of labor market data (such as better wage data). Finally, the Subcommittee should consider how best to remove barriers to using labor and education data, while maintaining privacy safeguards, to measure the return on workforce education and training investments and provide better, more timely information to jobseekers and policymakers.

Thank you for the opportunity to share our perspective. We look forward to engaging with the Subcommittee on the critical role of workforce in helping all individuals to gain the skills and opportunities they need, and in driving innovation, equity, and growth for businesses and our economy.

Chairwoman WILSON. Thank you. Thank you so much. And now under Committee Rule 9(a) we will now question our witnesses under the five-minute rule. I will be recognizing our Subcommittee Members in seniority order, again to ensure that the Members' five-minute rule is adhered to, staff will be keeping track of time.

And the timer will show a blinking light when time has expired. Please be attentive to the time. Wrap up when your time is over, and re-mute your microphone.

As Chair I now recognize myself for five minutes. Ms. Wu in your testimony you highlight Microsoft company skills program which supports black, local workforce development organizations, including the Opa-Locka Development Corporation which operates in my district, I'm well aware of it. How can our workforce system best target investments in under resourced communities and engage employers to address the persistent skills gap among workers of color?

Ms. WU. Thank you, Madam Chair. I think it's very important to recognize that who sits at the table influences how workforce funds are distributed and focused, and so it's very important that we have a diverse set of organizations like Opa-Locka Community Development Corporation to be there to contribute and to partner with the workforce system.

So the Federal Government can encourage that certainly, but those are decisions that also need to be made at the State and local level to have a diversity of voices at the table, and certainly for employers, employers want to have diverse talent. They also want to

make sure that their needs are being met, and so thinking about how the workforce system can better serve small and medium business in particular as they seek to survive and evolve in this pandemic.

I think that provides a value add to employers so they will be eager to participate and work more closely with the workforce system.

Chairwoman WILSON. All right thank you so much. This is for Mr. Barela. Should we consider extending individuals access to supported services while they are working after training program completion and placement employment, and how would lower income individuals with barriers to employment benefit from such an extension.

Mr. BARELA. Thank you, Mrs. Chair, for a great question. And you know I think you mentioned in your opening address that it's not only the placement, but the retention in these occupations or jobs and career advancement, and so support services when people go to work are so critical so that they can be successful to access the tools, maybe additional training, so that they could see advancement in that initial career placement. But I do think the Workforce Innovation Opportunity Act needs to allow us to provide support services beyond just a short period of time. It's important for people to stay at work 6 months, 1 year and beyond.

And so the ability to offer support services, and then again look at what are the resources available, not only in the public workforce system, but through community-based organizations, and other funds to allow those support services to be available, particularly for what we just saw in the pandemic. Those occupations who weren't able to work from home to access childcare, to access transportation, those are all costs that only are increased when someone is able to go to work.

So definitely the opportunity and the availability of support service is critical to not only retention but career advancement.

Chairwoman WILSON. Ms. Wu, in your current capacity as Managing Director for public policy, and as a former Assistant Secretary for the Employment and Training Administration at the Department of Labor, can you speak to the importance of fully funding WIOA adult programs which supports incumbent worker training?

Ms. WU. Absolutely. As has been referenced earlier, the workforce system has been underfunded for quite some time, and this has never been a more dire situation because frankly we have millions more Americans who need this help and need these supports. We know workforce system supports work, supportive services work, and also helping people find jobs is more critical than ever.

So we believe absolutely there is more funding and more support that's needed. The private sector needs to do its part too, but we all need to work together to support this system and get more people the skills for the jobs of tomorrow.

Chairwoman WILSON. All right. Mr. Barela due to funding shortfalls only about 30 percent of individuals who interact with the workforce are able to access training. How do individual training accounts function? And should Congress expand funding in these ITA's?

Mr. BARELA. Madam Chair great question. In Colorado, and I believe as you referenced before, only 30 percent are accessing training. In the last program you reported on about 77,000 individuals received services through the public workforce system.

Chairwoman WILSON. Should they be funded under Pell Grants? Should the funding levels be provided as high as Pell Grants which is currently \$6,500.00?

Mr. BARELA. Definitely. And I think it should be encouraged. A lot of workforce boards are keeping those training caps down just because of low funding levels and they want to serve more people, and so if we could raise those funds to Pell Grant levels it requires more funding to do so, but also the availability with additional funding so that we can serve more people through upskilling, reskilling, and next skilling, that there's a cost involved.

And so it's very important to increase the availability. I think workforce boards have that ability to do so, and also to attach the training to labor market information in those communities.

Chairwoman WILSON. Thank you so much. I'm out of time. I now recognize Representative Foxx for the purpose of questioning the witnesses.

Ms. FOXX. Thank you, Chairwoman Wilson, and again I thank our witnesses for being with us today. Mr. Sigelman, you discussed at length in your testimony the need for our workforce system to be more demand driven, and a better partner for industry.

At the same time workers are not well-served by a system that focuses solely on credentials without identifying skills that individuals already possess.

What is driving this disconnect between supply and demand? How can WIOA help to address the problem, and what benefits will workers and employers see if we can close this gap?

Mr. SIGELMAN. Thank you, Ranking Member Foxx, for the question. You asked about the question of the mismatch between supply and demand. And it's a critical one because one of the things that we're seeing right now is a very strange phenomenon. What seems on the surface to be a strange phenomenon of millions of people who have been displaced, and at the same time increasingly urgent skills gaps.

And I will put it simply this way, a million displaced wait staff can't fill a single cybersecurity job. And so what we're seeing is that as employers let go you know, have had to let go of people, as they begin to rehire now as the economy recovers, employers are making a bet whenever you make a hire, on the future of your business. And so employers are starting to hire for the future skills that they need.

So as a result on the one hand workers who have been working in a field for decades may not have the skills, they need to get their old job back. And at the same time it means that employers are doubling down on skills that were already in short supply.

Our workforce system can help to bridge that gap by tracking the sets of skills that are in demand for jobs today, and by being responsive to those changes in demand.

Ms. FOXX. Well thank you very much. Mr. McGrew thanks for sharing the exciting work that Indiana is doing to strengthen the workforce in your State. We often talk about how states can serve

as “laboratories of democracy” that are often more innovative than the Federal Government.

One issue you mentioned that seems to plague our workforce system is the balance between accountability and flexibility for the list of eligible providers of education services. What recommendations do you have on how to maintain the quality of providers while also welcoming new and innovative actors onto these lists to address in demand skills needed in the future.

Mr. MCGREW. Well thank you Ranking Member Foxx for that question. I think it has in part things to do with what Matt was just discussing in terms of looking at in demand jobs and skills, and it’s really two-fold. What we do here we have two mechanisms. That wage and demand threshold that we look at for program eligibility, while at the same time we are monitoring outcomes of our programs.

Looking at job placement rates, looking at completion rates, and looking at wages. I think if more states took an open-end approach to looking at both the labor market information to drive investment, as well as the outcomes of programs we would be able to better serve all Americans.

Ms. FOXX. I want to inject something in here that I think is important that none of you have talked about in your written testimony, or in your spoken testimony. And I think it’s a tremendous opportunity that’s being left out.

Every employer has the opportunity to spend \$5,250.00 for education expenses for an employee. You all are asking us for a lot more money through WIOA when I hear nobody talking about the fact that employers who have the greatest interest at heart in filling their jobs, could be using this money.

Furthermore, I’m not sure exactly which one of the CARES Act bills that passed, but we are currently approving \$5,250.00 for any employer to pay off student loans, and for an employee. I do not understand why those things aren’t getting more play, and while you all aren’t talking about that.

Every one of you should be pushing those things, and nobody is mentioning that. We need to be pushing that too, every Member of Congress needs to be doing that. It is no cost to the employers to pay those expenses, and it is not income to the employee.

And I’m doing everything I can to get that word out, and I think we need to do more. I don’t think we need more money in these programs. I don’t think the money is being spent very well, and I don’t think all the resources that are available to employers are being used wisely.

And I think I’m going to be asking you all a lot more questions when this hearing is over about what you’re doing to get accountability, and to use all the resources that are available to you.

But I thank you very much and Mr. Barela please tell Governor Polis I said hello because he was one of two republicans who voted for the Skills Act when it originally passed the House of Representatives. He got it a long time ago. Thank you very much.

Mr. SCOTT. One of the few Democrats.

Ms. FOXX. Yes, one of the two I said.

Mr. SCOTT. You said Republicans.

Ms. FOXX. I'm sorry one of the two Democrats, excuse me, that voted for it, so thank you Mr. Scott. I appreciate your correcting me thank you.

Mr. BARELA. Madam Chair I will convey that message to Governor Polis thank you.

Chairwoman WILSON. Leadership, leadership, all of you are over time. Dr. Scott I think it's important also while we are fighting to bring up why we're fighting so hard for this \$15.00 minimum wage to be instituted, but also, we need to make sure that our employers know all of the benefits that came out of the CARES package. I agree with you 100 percent. And now Mr. Takano.

Mr. TAKANO. Thank you, Madam Chair. I'm certain that Governor Polis is relieved that he is still known as a democrat. My first question is to Mr. Barela. Mr. Barela research has indicated that career navigation services can make a big difference in helping connect workers, especially with individuals with barriers to employment to the right training in jobs.

What are navigation services? Can you answer it? What is meant by navigation services Mr. Barela?

Mr. BARELA. Rep. Takano thank you for the question. You know what we feel in Colorado is when people have access to a career navigator, career coach that knows about the labor market, knows about what training demands from industries that are growing or in their communities, there's a better connection to their current portfolio skills and what they may need to boost our access skills training so that there's a better placement.

And the career connected input is related to the labor market in that community. And so you know what that coach will do is assess where they are, their life experience, maybe their education, but also the skills they've learned on their job. And then match that to what's it's the point in the economy. So if there is an investment or could be work-based learning where there's a wage involved where we put them in on the job training, or in an apprenticeship program, there's a better connection to career path and the retention is better.

When you know that there's a good match when you place someone in training and then a job, we hope that the retention into the career path and that will lead to a better outcome for that worker, and for the employer. Employers don't like to rehire and rehire when there's not a good fit.

Mr. TAKANO. Well thank you for that. Thank you for letting us know what navigation services are. How does Colorado's workforce system provide job seekers or career changers access to these services that determine which employment or training options are right for them? I just wanted to kind of embellish on what you were saying.

Mr. BARELA. Sure in Colorado again as I mentioned in my testimony, work very closely with the Markle Foundation, and we started with their career "coaching" training, and we've had over 60 coaches that have gone through that 1-year program. We're in discussions to look at how do we make it available to every career coach in every American job center of the 53 we have in Colorado, have that training virtually and ongoing, so that they have the ability from that curriculum to look at labor market information,

to do assessments, to look at profiles of individuals, to look at a human center design.

But the counterpart to that is making sure we work with employers so they're not shutting the door to people who may not have proxies such as an education credential or years of experience, that they're really looking at the jobs and the competences and skills that are needed in those growing sectors, and they may look at a resume that is skills-based, so that they're not shutting the door, especially for marginal communities, people of color, low-income individuals that may not have that credential, that most employers look for with an associate's degree or a bachelor's degree.

Mr. TAKANO. Yes, it's getting not how to be stuck on the credential, there is other ways to validate. What impact would be expanding access to individualized career services and navigation supports through a WIOA reauthorization have on helping people get back to work or find better career pathways?

Mr. BARELA. I think I heard you. I think the access was in regard to I talked about you know people who have the opportunity to work with our current workforce system, not all the coaches have been trained, and our annualized outcomes of the workforce system about \$12,700.00 better for the people that come into our centers, than someone who tries to find a job on their own.

If we would have all our coaches trained in upskilled and consistently up to date with the labor market information, and tools that would make them better, that outcome would be even higher I believe, and you know, I think Ranking Member Foxx mentioned that we need to see a better retention rate of 70 percent.

I do think that would be impacted when we'd see a better retention rate from the training inputs, or even the direct labor exchange we offer individuals would greatly be improved.

Mr. TAKANO. Oh great. Mr. McGrew, you've noted that there are not enough slots in qualified training programs to meet the demand for training in your State. What are the challenges to expanding training program capacity?

Mr. MCGREW. Thank you Representative for the question. It really is I think twofold here, capacity of the provider community to actually have those slots available. You know we work primarily with our community college system on our next level jobs programs, so making sure that all of the training that has been identified is available at those campuses and are able to meet those local needs is extremely important things that we are thinking we need to work through with them.

But I also think you know we look at how we fund our current programs within the State funds that we have available. There is so much demand that we often times run out of that funding half-way through the year. So we are you know borrowing from other programs in order to fill that need.

And then creating our awareness in the connectivity through the employer it is extremely important in getting them to recognize investments that they are making as well, and that's why I think on our employer training grant program we're seeing employers invest many more dollars in that \$50,000.00 reimbursement that we're seeing.

So it really is trying to take that comprehensive approach to the entire system is really what our goal is.

Mr. TAKANO. Thank you. Ms. Madam Chair I apologize for going over time, but I yield back.

Chairwoman WILSON. Thank you so much. We all have our days. Mr. Good of Virginia? You're next.

Mr. GOOD. Thank you Madam Chair and I thank you to our entire panel and all of our witnesses here today and thank you for the opportunity to ask you some questions.

And I'm actually going to do something today that we don't hear enough of, and that's the innovation and the economic opportunity that comes from the results achieved by the real leaders in the private sector in rural America, instead of more Washington knows best promises that we often here from.

In order to address the needs of displaced workers I think it's important to acknowledge private innovation, and the investment that is already meeting these needs I want to give credit where it is due. I want to highlight specifically Microsoft's presence in my district, as one such example.

Microsoft has a facility in rural Mecklenburg County that acts as a data center and a major employer for the area. For most of you who probably don't know Mecklenburg, it's a beautiful county with great communities, and I'm proud to represent them. Sadly, it has endured the pain of economic displacement like other rural areas throughout the country as some of its historic industries have shrunk or have been displaced.

But Microsoft has a presence going back some 10 years in the district in this community, bringing digital innovation to this part of rural southside Virginia, and this does not simply represent one additional employer for my district, but it's actually helped change the way we view education and workforce development more broadly.

Mecklenburg County is currently in the process of constructing a modern high school expected to open in fall of 2022, with specialized career tracks for students to develop the skills they need to thrive in a skill-based economy.

Among the many skilled job-ready specialties offered, things such as: Electrical, mechanical, plumbing, welding, et cetera, also included is advanced technology with a credential that is required to work at this local Microsoft data center.

So for those looking to Washington, DC, or Congress to have all the answers, and I say go to Mecklenburg and see what Microsoft and our community education leaders there are doing that this body so often fails to do, innovate, and recognize the value in rural America.

So my question probably expectedly with that lead-in, is for Ms. Wu with Microsoft. Ms. Wu aside from direct investment of more hard-working taxpayer dollars, how can Congress help and encourage the private sector to develop innovative opportunities like what Microsoft has done in rural Mecklenburg County in Virginia?

Ms. WU. Thank you, Congressman, and we're very proud of our work in your district. And frankly, we've learned a lot from working with southside Virginia Community College. I think something

we learned from that as they say it takes a village, and so sometimes Federal dollars can be a helpful sort of leveraging point.

They can also be a helpful convenor of the workforce system to sort of bring people together, and show look, here are where are the gaps, here are some partners that can work together. They can use non-Federal dollars as you said, but sort of bringing people together to have a better understanding of the needs and the different supports is very important.

Something we really learned from that partnership for example, is there needs to be supports all the way along. You have got to recruit students, students need scholarships which we provided, they need devices. Their devices weren't up to snuff.

When we worked with the community college to say OK, we'll have a data center lab, so we can simulate what it's like to work in the data center. It turned out in the building you know the electrical systems needed to be upgraded to build the lab. So there are many stages along the way, and many ways that different partners, Governor or non-government can pitch in to help.

Mr. GOOD. Thank you for that answer. Why do you think some might view rural America as an economic liability, rather than an opportunity for investment as Microsoft did a few years back here in Mecklenburg? And what could be done to improve of how that perception of rural America?

Ms. WU. Well first of all I think it's going out to our communities and really listening and working with partners. Microsoft is proud to partner with 4H and Future Farmers of America on making sure people all over the United States have digital skills.

And we learned our lesson. You know people want to stay in the communities where they were raised. You can try to bring in talent from somewhere else, but those people maybe won't stay. So actually investing in communities, getting people the skills they need, it benefits us not only because they may work at the data center, but they may open other business, start their own tech firms in the area, and that way we can help to grow a hub of innovation which is what we're really trying to do.

Mr. GOOD. Well thank you all for being part of the solution there in that rural part of Virginia, Mecklenburg County, and Chairman my time has expired, so I yield back thank you.

Chairwoman WILSON. Thank you so much Representative Good. And now Representative Jayapal from Washington.

Ms. JAYAPAL. Thank you so much Madam Chair and great to hear the bipartisan support for this. I've seen in my district how WIOA can help workers connect with strong well-paying jobs. And I wanted to root it also in a real person's story. This is the story of Gloria, a woman that was helped by My Neighborhood Houses WIOA program.

Gloria wanted to earn more, so she could move out of her doubled-up living situation, but she also needed a swing shift because she only had evening care for her children. Neighborhood House, which is a non-profit here identified a job at Harbor View Medical Center and helped her to apply and negotiate her salary to \$21.40 an hour.

She is now living with her family in a two-bedroom apartment, has a savings account, and is becoming more financially secure. I

think that's the type of assistance that is more critical than ever as we recover from a recession that has hit women, people of color, and people in lower wage jobs particularly hard.

Women, many of them women of color, have lost 5.4 million jobs overall during the recession, and in December 2020 alone women accounted for nearly all the jobs lost with a disproportionately high number of job losses coming from women of color.

Mr. Barela what role should the public workforce system play in making sure that workers hardest hit by this pandemic are not being left behind?

Mr. BARELA. Thank you, Representative, great question. We know that the disruption that has happened as of the economic crisis from COVID has hit young people and women, and people of color exponentially difficult. I think we need to make sure that access points for these individuals are available like you mentioned in the community, the Neighborhood Housing, or the House Program.

We need to make sure that no matter what door someone walks in that the public workforce system has resources and availability of upscaling potential. We also need to get back to that learning doesn't have to be separate from earning, and for especially people of color and young women, single mothers, where we can train them, credential them while they're working and earning a wage is so critical.

And those need to be available at every juncture of their career, not just when there's disruption. I think we need to make sure that we work in partnership with our businesses and industries so that skilling, upskilling, reskilling, next skilling is happening while they're working, so that potentially they can escape the next economic downturn because of those interventions.

And so we need to look at how apprenticeships, lifetime, not just when they're young people, but mid-career professionals can access the opportunity to be relevant in growing industries and with skills as they earn money as well.

Ms. JAYAPAL. Very important. Thank you so much. Mr. Sigelman as of last month 4.2 million people were experiencing long-term unemployment. And in the last recession we saw that Asian Americans experienced more long-term employment than any other group.

That trend has continued under this recession. What lessons should we take from the last recession to not only ensure that people find new employment, but also find more suitable careers that keep them in the labor force, and are there particular steps that should be taken to address long-term unemployment among Asian Americans and other groups?

Mr. SIGELMAN. One of the greatest tragedies of the job market as we've seen in past recessions, and we're seeing in this one, is also one of its greatest opportunities. It's kind of what your rear-view mirror says: Objects in the mirror are closer than they appear.

And people and opportunities are often just a few skills apart. We too often try to match people on very literal levels. If somebody loses a job in a field and in many places, workforce systems are try-

ing to find another job in that same occupation. Opportunities in that occupation often experience shortage at the same time.

And so we need to be able to refocus the way first of all that we look for how people look and identify opportunities, and to be based on the skills that they have, rather than the jobs that they've been in. And second, we need to use that same idea to refocus workforce training programs to make sure that we are being as efficient as possible.

People will often have to take a step down and as a result, and one of the things we've learned from the past recessions is that people who have been displaced wind up as you've pointed out, on the sidelines of the economy for long periods of time, and ultimately sometimes unfortunately never get back to where they were.

The key is as Mr. Barela was just saying, it's so important to make sure that we can provide ongoing support to workers.

Ms. JAYAPAL. Thank you.

Mr. SIGELMAN. Sorry go ahead.

Ms. JAYAPAL. Thank you. I just wanted to make sure I get Ms. Wu in here because she worked on this in the last recession for the Obama administration. Anything you want to add on this topic Ms. Wu from your experience?

Ms. WU. I agree with what Mr. Sigelman said. I think it's also important for the Department to think about under WIOA or otherwise, how to have some targeted interventions, especially for those who end up long-term unemployed.

When people get unemployed for a long time, they can lose hope. They lose attachment, and I think there are a lot of tools that can keep people sort of continuously learning and showing their skills in other ways and provide that positive affirmation for that.

Ms. JAYAPAL. Thank you so much. Madam Chair my time has expired so I yield back.

Chairwoman WILSON. Thank you so much. And now our Representative Grothman of Wisconsin. Representative Grothman?

Ms. FOXX. Glenn, can you hear? Obviously can't, Madam Chairman I apologize. Go ahead to the next person. We'll get to him when he's available the next time, thank you.

Chairwoman WILSON. Representative Spartz?

Mr. SPARTZ. Thank you, Madam Chair. I am very happy to see PJ here in the Committee from Indiana. I know that Indiana is very forward looking on an innovative approach to workforce development, and it's very needed, and I was proud to be part of this effort, and I know I just would like you to share some of the things regarding how we can have a better operation between State and Federal Governments.

And I wanted for you to just maybe mentioned a few of the things what we can improve in the flexibility of structure. How the State managed workforce development problems, and also maybe in the flexibility of funding streams that you could streamline all of these processes. Could you just share some of the examples how we look to do better so we could have a better return on investment when we invest in human capital which is very important.

Mr. MCGREW. Thank you representative. It's great to see you again. I think a couple of things on that topic. What we've been

able to do with the waiver that we received from the US DOL from our broad structure so that we could really start to coordinate more activity across State and Federal programs which was so important.

What we found was that you know our former workforce board was really driven by the workforce development agency and we want to see that connectivity across all of our programs, so by removing that, separating that out, elevating that a little bit, and including that directly underneath the Governor's office and driving for his vision with a Chair from our government system to better coordinate those activities on a day in and day out basis is so vital to what we've been able to do the last several years.

In terms of flexibility I know we have talked a lot about supportive services, and other programs to be able to connect people to. I think taking a broader look across where various funding streams are and Federal programs, especially those programs that also provide employment and training services to individuals that are on SNAP and other Federal programs is very, very important.

And one of the reasons why we opted to do a combined plan. So that we looked at it from in terms of eligibility across these programs so that we could start to stack funding streams together to see that ROI, instead of having disparate systems trying to accomplish some of the same goals.

So I think as we consider WIOA reauthorization, that connectivity, flexibility of funding streams I think especially as it relates to the core programs within WIOA, and the people that are being served at a local level and how we can transfer funds back and forth between those programs will definitely go a long way.

Ms. SPARTZ. Thank you very much. And the bottom of that issues is also maybe all of the panelists can briefly mention as a CPA and someone who works a lot in the financial fields, it seems like you know financial illiteracy is really something that is a big discussion, because ultimately you know we start our careers, but our investment in our future investments in assets and in our careers really creates an understanding of finances.

That's why we create wealth in advance of our careers. And it seems like out of college a little bit too, accounting and was a high school Ambassador for CPA's society, and it seems like there is such a lack of understanding core basic principle you know of finances, and we are like a powerhouse of finance and not educated our children you know about the finances.

So I want to know just from the panelists if you've been successful in implementing, and PJ you can start and maybe go quickly through all of the panelists and give us a success of some of the initiatives, and where you see maybe we can do better.

Mr. MCGREW. Yes. I think we can again as several Members of the Subcommittee have already alluded to of the other panelists. What is happening within the private sector, I just met with an employer last week who had mentioned that they were raising their wages from \$11.50 an hour to over \$15.00 an hour, but you know recognizing with those wage chains that employees were going to have other issues that they were dealing with, with that new income and wanting to provide them more comprehensive financial planning services to be able to accomplish that.

I think we need to interject just like digital literacy skills that financial planning within our workforce system, so that as individuals go through training and are placed at higher wage occupations, they know how to use those resources going forward.

Ms. SPARTZ. Anyone else?

Mr. SIGELMAN. Mr. Barela before discussed the importance of career navigation programs and I couldn't agree more. And I think I bring that up here because we have to think about career navigation, not just as once and done, but as an ongoing support for people to have the skills that will enable them to keep going in their careers, not just to place into the first job, but to keep progressing upward and to achieve the American dream, they need a broad set of skills, a broad set of foundational skills, as well as kind of the financial literacy skills to enable them to navigate their careers and build prosperity.

Ms. SPARTZ. Thank you very much, but I agree with you. We have to teach people how to create wealth, so thank you. I think my time expired. I yield back.

Chairwoman WILSON. Thank you. Thank you so much. Representative Omar welcome?

Ms. OMAR. Thank you, Chairwoman. Really appreciate this hearing today. My home State of Minnesota has started taking an important step in addressing the racial disparities of economic and educational outcomes in our workforce system.

The Minnesota Strategy Plan has two racial equity goals, reducing educational, and skilled training and employment disparities based on race, disability, gender, or disconnected youth, and building employment-led partnerships that expand the talent pipeline to be inclusive of race disability gender and age.

However, as I'm sure you all know, there aren't Federal guidelines to encourage all states and localities to explicitly include demographic goals in their workforce plan. Mr. Barela I'm curious to hear if Colorado has similar goals in their strategic plan to close racial equity gaps and improve outcomes for disenfranchised communities.

Mr. BARELA. Thank you, Representative Omar. Great question. And I think in part of the documents that I sent you is we have the talent equity agenda that really sets the pathway for Colorado workers and business industry, and even educators to start looking at how we are serving our diverse population in Colorado, and the goal of that equity agenda is that every Coloradan has the opportunity to upskill, reskill, and next skill, so they have a valid career path to live in the community that they call home here in Colorado.

And so we will be looking at how we can you know first of all put out there that we aren't doing as well with some of our marginalized populations, our people of color, our disabled, and what we need to put in resources and programs so that they have a fair opportunity to reach success in the world of work, so great question.

And we are paying attention to that. We have that equity agenda plan, and we also have a talent pipeline that specifically targets where we're not meeting the mark in Colorado, and we need to do better.

Ms. OMAR. Glad to hear that. Have these efforts yielded positive results for historically disenfranchised communities in your state?

Mr. BARELA. They have and over the years we've done the talent equity, but this is the first year for the talent equity agenda, but with the talent pipeline report has seen progress in our Hispanic populations, and in our black populations.

We know that we have to do better with attainment of not only basic skills and high school education, but we also need to see how we can make opportunities for credentialing post-high school, post-secondary education, so that they have a chance to look at career paths that look beyond minimum wage.

Ms. OMAR. Thank you so much. I've been talking to many communities in our district about their concerns during this post-COVID economic recovery. The most common priority brought up to me was that we need to create a holistic support system to help people fully participate in our economy and greater society. This means improving access to essential supportive services from cash assistant to childcare, and from transportation to housing.

The economic and human toll of the COVID-19 pandemic has been devastating, and so it is understandable that many Americans will need additional support just to be able to participate and succeed in these programs, putting funds toward training and career services can only take us so far if we also aren't addressing the underlying socio-economic disparities, preventing many people from entering or staying in the workforce in the first place.

So Mr. McGrew can you discuss how your State is handling the delivery of support services to address the systematic inequities faced by underserved communities?

Mr. MCGREW. Thank you Representative for that question. I think one of the main focuses that we had in our strategic plan was really colocation services and cross-trained staff, so that you were making sure that all of our staff were aware of the various programs that existed to help support individuals through their education training journey such as cash assistance, or food assistance.

I think one of the unique things that we are doing in Indiana is we have deployed a group of Ambassadors to select locations across the State to learn how these programs are actually being implemented at a local level to understand the barriers, and then we can come back and pull what policy levers we need to, to be able to provide those supports that are needed and changes within the system.

The other thing that we have done, and this was strategic on our part of the data that we were using in that scene of the first couple of years of our employer training grant program was that we carved out a set amount of funding and we actually went above and beyond this past fall of our employer training grant designated to minority businesses, women owned businesses, and we set aside five million dollars initially for that effort, and then we ended up spending over seven million dollars and saw an increase of about 200 percent of such employers, so.

Ms. OMAR. That's great. I know I'm out of time. It would be really interesting to see if any of these training programs have helped with retention in employment in your State. Madam Chair I yield back.

Chairwoman WILSON. He can followup in writing if you would so desire. Thank you so much. And now Mr. Grothman are you here?

Mr. GROTHMAN. Thank you yes, can you hear me?

Chairwoman WILSON. We can hear you.

Mr. GROTHMAN. I'm going to switch the original question I had after hearing that last question from the Congresswoman from Minneapolis. A big complaint I get from my employers is they feel the government benefits are so generous they are paying people to sit on the sideline, which means they are not only getting not only not working, but not getting the work experience you need to move in a more highly skilled position.

Have any of the four of you as you talk to your employers, heard about the complaints of the current dollars pouring out of Washington, that they're too generous and are causing people's life to stagnate? Mr. McGrew, anybody? I mean I hear it all the time that's why I wondered, anybody? Nobody heard that?

Mr. MCGREW. I'd like to talk a little bit about what we're doing to help resolve some of those issues with the folks that we had on unemployment insurance currently and using data to better serve those individuals.

What we have done throughout the pandemic is really been to look at our unemployment insurance claimant's data, their educational attainment levels, their job experiences, and I've started to use that data to group that into various groups by workforce region, and then provide very specific and targeted information about if they do not have a high school diploma, the adult education program nearest them in their region. If they are looking for certain jobs, sending them job postings

Mr. GROTHMAN. What if the employers think they're sitting on the sideline, and when they come in, they offer them a job and then they won't show up? What do you do with people like that?

Mr. MCGREW. I have not heard that specific complaint from our employers about offering jobs and people not showing up to work.

Mr. GROTHMAN. OK. My second concern is we continue to I think get too many people who are directed wrongly, and then they get a big college degree that doesn't lead to a job, and later on get a skills-based education from a tech school, or for a second degree, or from their employer themselves.

Could you comment on what you are all doing to prevent people from getting degrees that don't lead to a valuable skill. Does anybody know about that?

Mr. BARELA. Congressman Grothman this is Joe Barela. I would say again I would stress how important that career navigation is for young people and mid-career professionals, so that if we're going to invest public money, or private money of their own, or even loan money, that that training leads to employment in a career pathway.

We are so far beyond the days where we could train and pray that there's a job at the end of the training process.

Mr. GROTHMAN. I just asked you guys because I talk to young people all the time. Could you give me say three or four college degrees that you would suggest I advise my high school students to stay away from?

Mr. BARELA. College degrees or high school degrees, I'm sorry?

Mr. GROTHMAN. College degrees, yes, yes, yes.

Mr. BARELA. You know I don't know if there's a particular one, I would say stay away from. Young people need to be in tune with their local labor markets. Where do they want to work, and are they hiring?

Mr. GROTHMAN. OK. I'll rattle off four for you: Psychology, political science, communication arts, and social work. What do you think when people say I'm getting a degree in one of those four fields?

Mr. BARELA. Well I will tell you I have a dual degree, one in psychology, and one in biology, and I'm working and have really enjoyed my profession in the human services, and workforce development, human capital development. So I really think it depends on the individual and what they want to do with that degree, and that's where coaching comes into play.

If you can attach any type of learning, if it's professional education, if it's academic education, is there a job in a career path at the end of the day.

Mr. GROTHMAN. I'll ask you this. We put a lot of money into this. The last thing we need is more money because we're paying people to get one degree, and then later on another certificate. Do you think we should condition Federal Pell Grants, Federal loans, and aiming for a skills-based degree that people need like nursing?

Mr. BARELA. I do think that any resources that are spent on a degree in education should be attached to skills and competencies in those industries and sectors that are growing.

Mr. GROTHMAN. OK. So not Pell Grants for everything under the sun. Thank you. I will quote you on that. Anybody else comment on that?

Mr. BARELA. Well and that's the role of the local workforce board. They can decide how they can use their resources in any of the Title I programs in how they reward and allow people to use those funds that are connected to the labor market in their community.

Mr. GROTHMAN. OK. Thank you very much. We have lots of other questions, but I'm sure the other people will catch some.

Chairwoman WILSON. OK. Before recognizing our next witness I just want to note that there has been plenty of reporting done to show that people are not in fact sitting on the sidelines out of the labor market because of pandemic unemployment, but because the wages and the benefits employers are offering are too, too low they don't even make the positions attractive to potential candidates.

That is why even some republicans have now acknowledged that we need to raise the minimum wage, and why this Committee right here that you're sitting on has led the charge of increasing the minimum wage to \$15.00 an hour. If there were really a labor shortage then wages would go up, but they aren't.

We also need more resources for our workforce system to help people find pathways to new jobs, which is what we are discussing today. Not unemployment insurance, which our Committee has no jurisdiction over, and with that I now recognize Representative Leger Fernández of New Mexico.

Ms. LEGER FERNÁNDEZ. Thank you, Chairwoman Wilson, for that clarification, and for holding this hearing and Ranking Member Murphy. I want to also thank our witnesses for joining us today to

share the apprenticeships, the coaching, the talent equity approaches, and life-long learning programs that work.

You know I am struck by the Burning Glass documentation of a 2.3 trillion-dollar opportunity grab, and I hope that we can meet that challenge using WIOA. I want to talk a little bit about something that I think affects my home State a lot, but also this entire country, and that is in New Mexico one in 10 paychecks is tied to the arts.

And how that's especially important in New Mexico, the creative economy is essential to the entire U.S. economy. But since the start of the pandemic the United States has lost an estimated 15.2 billion dollars in the arts and cultural sector. Creative workers have been some of the most severely impacted by the COVID pandemic at the height 63 percent of creative workers experienced unemployment.

Mr. Barela can you elaborate on what Colorado is doing to help provide employment opportunities for those engaged in the creative economy?

Mr. BARELA. Thank you, Representative Fernandez. And my heart is with you. My family has roots in New Mexico and southern Colorado, so my parents have a home in Santa Fe, so the arts are so important to me growing up.

And so I wanted to let you know in Colorado I've mentioned sector partnerships. We do have a specific sector partnership that works on the creative arts industry, and so bringing together employers and community-based organizations to work with us through the workforce system to make sure that we have pipelines for people interested in going into the career arts, and even the entrepreneurial field with creative industries.

So that's how we are making sure that the arts industry is recognized, and we're supporting that in Colorado because it's so important to our economy as well. We also have to the pandemic people who are unemployment insurance highlighting sectors that are hiring and growing.

In April one of our weeks was specifically spent on the growing job openings in the creative arts industries. And so I want to let you know that you know just as in New Mexico, thank you to that people have a variety of opportunities to take to the public workforce system and go into careers that are growing, and we need them to grow to support our tourism industry and our heritage are important to the public workforce system.

Ms. LEGER FERNÁNDEZ. Thank you for summarizing that. I'm actually working on Federal legislation to create a grants program under the Department of Labor in consultation with the national endowment for the arts to put creatives to work, so creating that art and experiences that can be enjoyed by the public, this is inspired by the WPA.

We all remember the beautiful WPA Federal project one after the depression, and we see the murals, the beautiful art that has been preserved some of our most iconic artwork coming out of the depression and the WPA. And what I loved about it is it was celebrating cultures as you mentioned, our heritage across diverse communities.

I hope you'd really be willing to work with me on getting that structured and with great input from Colorado as well.

Mr. BARELA. We'd love that opportunity thank you.

Ms. LEGER FERNÁNDEZ. Thank you. And you know when we think about the ability of the arts to inspire a nation, I only need to remember Amanda Gorman's inauguration poem, "For there is always light, if only we were brave enough to see it. If only we're brave enough to be it."

So on the issue of light, another workforce that needs our help in New Mexico and across the entire country is fossil fuel workers. And as we move toward clean energy to address the climate crisis, I want to make sure we don't forget the folks that earned their living supplying energy to our Nation.

Mr. Sigelman I'm struck by your Burning Glass model, and how that could be applied to displaced oil and gas workers. Have you found any best practices for these folks in particular that we can adopt in this reauthorization of WIOA?

Mr. SIEGELMAN. Thank you, Representative Leger Fernández. And such an important opportunity right now to build on the skills that those working in the carbon economy have. As we see growing levels of decarbonization of the economy, we're going to need to be able to build bridges.

And that starts by recognizing the skills that oil and gas workers have and using those to identify a broader set of opportunities for them. One of the things compounding the challenge there is of course the geography of the carbon economy and the geography of the green economy don't always align.

And so one of the things we'll have to do in addition to aligning up skills is making sure that we can leverage remote technologies and the like to be able to build bridges for those workers that can find the opportunities and the kinds of incomes they deserve.

Ms. LEGER FERNÁNDEZ. Thank you very much Mr. Sigelman, but my time has expired, but that goes to the point that was mentioned earlier people want to stay and live in the place they call home. I yield back.

Chairwoman WILSON. Thank you. Thank you so much. Ms. Fulcher of Idaho? No? Ms. Miller-Meeks?

Mrs. Miller-Meeks. Thank you so much Madam Chair and I'll just say I've spent my day today traveling to various employers in my district, and contrary to statements just made here in Iowa they're having tremendous difficulty in hiring people, and these are not jobs at minimum wage, these are jobs at \$16.00, \$25.00, \$30.00 an hour, and even some employers jobs that are between \$80.00 to \$130,000.00 a year with excellent benefits.

So I just wanted to add that in that there are good paying jobs in Iowa, so if people want to relocate, we would welcome them here. Mr. McGrew it seems like Indiana has a rather unique structure for your State workforce system. This structure has also seemingly influenced your State planning process across multiple programs.

How have you maintained a stronger employer voice on your State board, while also increasing coordination across government agencies at the State level? Has this structure enabled you to

bridge gaps more effectively between the education and workforce systems?

Mr. MCGREW. Well thank you Representative for that question. In terms of maintaining employer voice. So we do have a policy Committee underneath the cabinet, and it is primarily employers, so we have five employers on that representing the various sectors that are a part of our workforce program, and then we have four members from different State agencies that are implementing programs, the Commission for Higher Education, Department of Workforce Development, our Department of Education and then myself.

So you know we really get to hear from our employers there, but also then working with our local workforce boards and their employers and serving them and sitting in on their quarterly meetings of our workforce board association to get that feedback of what's happening at a local level.

In terms of coordinating across the agencies I do believe by having a Chair that serves in State government, and runs a State agency, we are better able to better coordinate that activity, especially since you know the Governor appointed our commissioner to higher education, we are seeing the bridging of that education and workforce gap.

I often times would like to say that you know workforce development anymore is educational attainment paired with supportive services and skills that are aligned to economic needs, and that's what we're doing with the targeted investments that we're making in our next level jobs program.

Mrs. Miller-Meeks. So thank you for that, and here in Iowa we're similar where our employers have a voice because they know what skillsets they need, so that training can be provided whether it's at the high school level, concurrent enrollment at community college, or there at the facility for that skills training, so thank you very much.

Ms. Wu after LinkedIn's experience piloting skills-based hiring, you found that the company was both able to broaden the talent pool you were drawing from and improve hiring efficiency. I believe that efforts like this will be increasingly important as the world moves into a more skills-based economy.

And so two questions. Do avenues like TikTok which have been hiring. We learned that they were hiring people to help the cartels bring people across the border, but I know that TikTok has now for young people to become an avenue that they look for employment.

And then also through LinkedIn and other avenues, how could the workforce system do a better job of focusing not just on credentials, but on individual skills?

Ms. WU. Thank you for that question. I think you know one of the things I'm not as familiar with some of the TikTok workforce efforts, but you know part of it is the workforce system has to go to where people are to try to reach them.

And there was a question earlier about how they can do a better job of serving employers, this partnership we had in El Paso. You know they were very creative. They had laptops. Workforce staff went out. They went to where businesses are, business owners are busy. They're trying to run their business.

And so in order to support them, coming to where people are in providing those services is tremendously important. We do think we're building on our skills-based hiring pilot, working with other companies that are interested in the same thing, and I think we have to remember actually before the pandemic the labor market was really tight, and so there were a lot of jobs already going unfilled, and a lot of employers are saying we're having a tough time filling these jobs.

Maybe if we have a slightly broader lens, cast a wider net, we'll find more people, and at the same time achieve the ends of acknowledging people's skills and hiring people who maybe don't have the existing job title or degree, but can do the job very well.

You know everyone has to do a job for the first time, and so making sure that people who have skills, but not necessarily the job title already are included as important.

Ms. Miller-Meeks. And some of the data and information you gain through these events and outreach, do you relay those back to like a community college, or other apprenticeship programs, so they're aware of what's available and what skills are needed?

Ms. WU. Yes absolutely. We try to partner with local workforce boards and provide that information to them as well as community colleges and other partners.

Ms. Miller-Meeks. Thank you. My time ran out. I yield back my time. Thank you so much.

Chairwoman WILSON. Thank you. And now the very patient superstar Mr. Jones of New York.

Mr. JONES. Thank you, Madam Chair, for those kind words, and to all of our witnesses for being here to share your testimony today. I'm glad the Committee is looking at how we can create pathways to employment for workers who have lost their jobs for one reason for another. The past year has demonstrated why investments in workforce development are critically needed.

Millions of people lost their jobs as a result of the COVID-19 pandemic, and the subsequent economic fallout. And during this time many turned to workforce programs for assistance. Fortunately, we are on the path to recovery as things get back to normal.

In my district the unemployment rate has dropped from 15 percent at the height of the pandemic to around 6 percent today. There is still so much that needs to be done as we recover from the past year, which is why I'm glad our focus today is on the workforce in fostering employment opportunities.

As Members of Congress it is our responsibility to ensure that all people have the resources they need to get back into the workforce after having lost a job, especially our vulnerable populations which are at a disadvantage because they lack those resources.

Mr. Sigelman, I read in your testimony that racial inequity in our workforce isn't just a social problem, but an economic one. And you cite a study that found racial inequity accounts for 2.3 trillion dollars in unrealized economic gains in just 2018 alone. Can you describe how we are limiting ourselves economically by not doing more to address racial inequity in the workforce, and how can WIOA better serve woman and people of color?

Mr. SIGELMAN. Thank you, Representative Jones, for the very important question. So first the study that you're referring to was de-

veloped by policy Lincoln with Burning Glass using our data, and it provides an in-depth analysis of a disaggregated equity indicators in labor market dynamics.

It found that white workers are 50 percent more likely than workers of color to hold good jobs, and that if you could eliminate those racial inequities in income, it would boost the U.S. economy, and as you cited by 2.3 trillion dollars here.

I think it's important first of all to recognize that there will be really a double gain there. Not only does that represent 2.3 trillion dollars more in wages for workers of color, but it also says even in a free-market economy wages are a proxy for correctivity.

So not only would that 2.3 trillion dollar gain to workers be a gain to workers, but it would also be a gain to industry having an even more productive workforce. So to your question the mechanism for being able to bridge that gap, and I think this is why it's skilled.

What's most exciting is that the opportunity here to bridge the gap is real, it's clear, and it's achievable. The key is to look at what are the jobs that are going unfilled, and there has been a number of representatives who have cited that there are a lot of employers who are unable to find talent for jobs, there are critical talent shortages throughout the economy in New York and every district.

If we start there with the landscape of opportunity and then work backward and say OK, where are there talent pools that have high representation of people of color, of women, of immigrants, and how do we think about the specific skill pathways that will enable people in those talent pools with strong representative to move into better paying jobs with more upward mobility with lower rates of representation.

The workforce system can be designed to help people bridge those gaps by specifically acquiring the skills for those particular transitions.

Mr. JONES. Thank you so much. Ms. Wu, since the beginning of the COVID-19 pandemic, we have witnessed a historic number of displaced workers, particularly in communities of color. As my colleague from Washington Ms. Jayapal pointed out, reports show that women of color have been disproportionately affected.

What kinds of resources and funding can employers like Microsoft bring to the table to ensure that when displaced workers return to the workforce, they are earning livable wages that allow them to support their families?

Ms. WU. Thank you, Congressman. This is something I feel very passionately about. I actually started my career representing workers, a lot of steelworkers, tobacco workers, hotel workers, who had lost their jobs, and it is really tough on not just the worker, but their whole family when this happens.

Microsoft has partnered with non-profits around the country to make sure that we're meeting people where they are, serving communities, diverse communities. We actually have a focused effort right now especially working with black and African American led, and serving non-profits, 50 non-profits around the country to provide career services, counseling, skills education, opportunities to connect to jobs.

And doing that you know, that's part of what private sector can do. We have to do it in partnership with government and others, community colleges, libraries, wherever people are to meet people, and to help them do the best match they can to try to find good jobs as we talked about earlier, and also say if you need a few more skills here are some options.

We're providing low and no cost training and certifications, but we know people do better when they have a partner to help them and support them, and so it's important to invest in those partnerships too.

Chairwoman WILSON. Thank you so much. If you want to respond more to Mr. Representative Jones, you can do so in writing. Everyone is interested in what you're saying. Representative Letlow?

Ms. LETLOW. Members of the Committee and witnesses, thank you taking the time to discuss opportunities for dislocated workers under the Workforce and Innovation and Opportunity Act. I'd like to highlight one workforce program that has benefited dislocated workers as well as new entrants into the workforce in my district and State. The Department of Labor has partnered with Delta Regional Authority and the Appalachian Regional Commission to administer an initiative called the workforce opportunity for rural communities.

This program has boosted rural community workforce development efforts across the State and within the Fifth District. In fact, my alma mater and former employer, the University of Louisiana Monroe, was able to benefit from one of these grants.

ULM partnered with numerous local parish school systems, community colleges, and workforce boards to create a high school business academy which taught students the basics of entrepreneurship, management, marketing, and accounting while allowing them to earn college credit.

This partnership sought to align curriculum to regional needs. I hope Congress will continue to invest in the DOL Rural Community Workforce Program. Ms. Wu, you said that the most critical component of skilled programs is an immediate prospect to connect to good jobs.

This seems to be a straightforward point, yet our workforce system all too often misses the opportunity to successfully partner with the business community. How can WIOA maximize employer engagement to ensure that workforce development priorities are closely aligned to regional economic development needs?

Ms. WU. Thank you for the question, and it's exciting to hear about that partnership. I think you know a couple things. As I said earlier small and medium size businesses, especially the ones that rely on the workforce system often are very stretched. They don't have a separate HR person, they don't have an internal training department, so working with them to really understand employer's needs.

And as Dr. Foxx and others referenced, there are some great incentives and financial supports out there on the system, but sometimes business owners are too busy to find out about them, and so I think it's very important for the workforce system to sort of go

to where employers are, provide them that support and information, and you know help them upscale their current workforce.

You know, skating to where the puck is going, we want to skill all workers of course, but helping you know maybe being a little more flexible or providing more funds or programs for incumbent worker training, existing workers, they can develop skills on the job, that will help businesses and workers too.

Ms. LETLOW. Awesome. Thank you, Ms. Wu and to the other witnesses. I yield back my remaining time.

Chairwoman WILSON. Thank you. Thank you so much. And now Ms. Manning of North Carolina.

Ms. MANNING. Thank you, Madam, Chair, and thank you to all the witnesses for being with us and staying right through to the end. I represent a district in North Carolina that lost thousands of jobs in the textile and furniture manufacturing industries in the late 1990's—early 2000's.

And those were good jobs that workers could do with only a high school degree. Today as well look at the manufacturing jobs we currently are getting, they are advanced manufacturing jobs. They require more skills than people can gain with just a high school diploma, and I know that we're going to see more technological change, and more automation, and workers will need more skills if they have a shot at keeping their jobs.

So Mr. Barela, can you talk to us about how the public workforce development system can adapt to provide access to upscaling opportunities for workers, so they can keep their jobs, rather than having a system that's reactive, and intervenes only after workers are displaced?

Mr. BARELA. Right. And I believe Assistant Secretary Wu mentioned incumbent worker training, and I think that's what workforce boards need to do with the Workforce Innovation Opportunity Act, but we need more opportunities that we can go and partner with our industry associations through sector initiatives, or even individual employers that could be small businesses, to work with those impacted works who need to be upscaled to work alongside technology, and not be displaced by technology to keep those jobs in advanced manufacturing.

So I do think we have the opportunity, but we need to enhance the funding available to do that, and also encourage workforce boards to use those resources in that way. So much of our performance is based on reactionary displaced workers, and we need to look at how we measure success working with impacts to incumbent workers.

The disruption that happened with COVID only exasperated what we're going to have to look at the disruption in other industries as automation becomes more prevalent, and is work is done by technology. But that technology needs human support, and so how do we do that?

In Colorado you know we are working with advanced manufacturers with our in-school high school students who are apprenticeship programs, starting them at their junior and senior year, they're learning on the job, it's complemented with not only curriculum in high school, but in community college the third year

they work mostly and get trained on the job, and then they have a choice to make.

Do I want to continue my education in formal structures education, or do I stay employed and have the employer work with me with the career that I have, or earned while I was still in high school?

Ms. MANNING. Great thank you very much. And I have to say I have spent time visiting both of the great community colleges in my district, and they are working with employers to make sure that the training they're offering is in areas that employers need workers, and that they're also reaching into the high schools to make sure that they're getting training, getting high school kids interested, getting them summer internships or paid jobs while they are in high school, so they can also develop those skills or work toward those skills and then go into community colleges and continue to develop those skills.

Mr. Sigelman I'd like to ask you if you have comments along the same lines, and also what can the Federal workforce system do to best meet the needs of the employers and workers?

Mr. SIGELMAN. Thank you, Representative Manning. I think a lot of this comes down to being able to start by understanding what employers need. And you mentioned some of the excellent work that's being done by North Carolina community colleges where I'm very proud of our work with the number of community colleges in North Carolina and around the country.

And helping them to take a data driven approach to understanding the landscape of opportunity for their communities. That's very important because very often we find is that all too often we find is that workforce systems, our career and technical education system, our CT system that is and others, are often misaligned in terms of how they are serving the landscape of demand and the landscape of opportunity.

I'll give you an example. We recently did an analysis of the spending on TGE programs for the Excel and Ed Foundation, post the Perkins Act reauthorization. There's billions of dollars flowing into CT's and an incredible valuable resource in helping make sure that students can acquire an industry, recognize credentials.

Unfortunately, what we found is that only 18 percent of the credentials that are being funded are actually in demand by employers, so then we start with opportunity first, use that as a key threshold to create standards for what kinds of training we fund, subject the ETPL community college programs to a standard of assessing their E2 jobs that are locally in demand and lead to good wages and upward mobility, then we can really turn the corner.

Ms. MANNING. Thanks very much. I yield back.

Chairwoman WILSON. Thank you, Ms. Manning. And now Mr. Bowman, Vice Chair of the Education and Labor Committee, you're on.

Mr. BOWMAN. Thank you very much Madam Chairwoman. Ms. Wu, I have a question about digital literacy and upskilling. Thinking about employees who have been in the workplace for 10 to 15 years who now find themselves needing to upskill. Given Microsoft's work on many digital literacy training efforts, can you describe what the key components are for making digital literacy

training effective for workers who may need to upskill after having been in the workforce for some time?

What additional support like childcare is needed beyond the content of the training?

Ms. WU. Thank you for that question. Well as you know from your background in education as well, people do need different kinds of supports to succeed. First of all we know adults learn best in context. And work is a great motivating context. When people know that you have to get on that conference call for work to be there with their boss, they are going to learn those tools, or they need to take these orders so the business will survive and thrive. They are very motivated.

So that's first of all finding ways to help adults learn in context makes a big difference. Cohorts make a big difference. The people learning together with other peers, understanding hey, I'm having this challenge, how are you working through this challenge? That's also very important.

And mentorship. People have gone through the program already and saying I had troubles there too, but actually this can make a big difference and you will get there. And a lot of our through community college partnerships, we find that people, you know, we have to give people also an opportunity to fall down and get back up.

And so they need those other supports. That's why working with the public systems is important to provide transportation, maybe childcare, IT troubleshooting. My device at home is too old. I can't even log on to that course to get to it online. It's too slow, or it's too old. What do I do? How can I access resources? Get better broadband access, or to have you know some technical support to achieve what I want to.

Mr. BOWMAN. Would you say that context and cohorts are also important as we think about high school education and even middle school education as well?

Ms. WU. Absolutely. Microsoft has a long-standing skills program which is basically teaching computer science in high school. We recognize that far too many students didn't even have a computer science class in their high school, and we've been expanding our effort in particular because we know for underserved populations if they get a class in high school, they are seven to 10 times more likely to pursue it in college.

So you've got to start early, absolutely agree. Our approach there has been focusing on supporting teachers to sort of train the trainer, so we teach teachers in local high schools who are already there, already have the relationships, already are known to the students, and help students and teachers move forward together.

But I absolutely agree you know at middle school and high school we all need support, right? We all succeed better when we're part of a team, and so having those supports and encouragement, and repeated exposure. It's not just a one time you're running across this, but you get to see technology opportunities, education, and people who look like you, or who are like you succeeding in technology fields is very important.

Mr. BOWMAN. You made me very proud when I was a middle school Principal, we had one of the only computer science courses

in New York City, and I have two former students. One is currently at MIT, the other is at Brum Science, excuse me, at Cornell after going to Brum Science. And we were located right around the corner from a housing project and as a Title I school.

And I just got a text today from a former student who's going to be going to North Carolina A and T, so yes, computer science really matters. One quick question, what would you say to critics that argue workers cannot successfully make the transition, or make the change?

Ms. WU. I'm sorry to stay to critics that they can't do it.

Mr. BOWMAN. Yes.

Ms. WU. Well you know I think everyone has the capacity to learn right? We're human, and that is part of being human. If people aren't successfully able to transition over to other things, we need to look at first of all we have to give people options. We have to look at the skills they already have as Mr. Sigelman also said, and not to say what don't you have, but what skills and experience do you have, and how can we build on that?

And what are your aptitudes? Not all technology is the same. There are lots of things that you know it could be technology focused on energy and the environment. It could be in the helping professions, helping in healthcare. It could be counseling. It could be in gaming.

So there are a lot of different opportunities across technology, and what we really need to do I think is open up that world, show people how technology is relevant to their lives and can help them advance, and find what's a good fit for them.

Mr. BOWMAN. Thank you so much my time is running out. Sorry Mr. Sigelman and everyone else. I really wanted to ask you all a question, there's just not enough time. Thank you and I yield back.

Chairwoman WILSON. Thank you. Thank you, Mr. Bowman. And now Mr. Pocan of Wisconsin.

Mr. POCAN. Thank you, Madam Chair, and thanks to all the witnesses for being here today. You know I was struck by something that you said Ms. Wu about who sits at the table really matters right? I think that's in so many aspects of life.

And you know one thing I haven't heard talked about a whole lot today are the role of unions because as we know apprenticeships; although Mr. Barela you did mention registered apprenticeships in your initial remarks, are joint labor management cooperative processes.

And so Mr. Barela if I can first, please extend my greetings to your Governor and to Marlon please, they were good friends and I appreciate them. But could you talk a little bit more about that registered apprenticeship experience?

And then second, what more could we do to put unions at the table to help make these decisions, because I just left 2 days ago, I was at the apprenticeship program here at the painters and trades in Madison. We had Secretary Walsh here in town, we had him out to see it.

So if you could just talk a little more about that I just haven't seen a whole lot of those conversations today.

Mr. BARELA. Thank you for that question, Representative. And you know part of our whole eco-system is making sure that through

our earned learned models in the apprenticeship programs are highlighted.

And I think our unions with the skills, trades, construction apprenticeships, offer such an opportunity for people in high school, people that are recently graduated from high school, and even mid-career professionals to go into an opportunity to get into a relative career pathway that offers a wage while they're going through that process.

We have the Bell Commission here in Colorado which is our business experiential learning commission that was first created by Governor Hickenlooper and now Governor Polis which takes the business community and really exposes them to not only the opportunity through the State Department, the Department of Education, Department of High Education, Department of Economic Development, International Trade and Department of Labor, and figure out how can we make sure that people have pathways into industry that involve professional experience education and credentialing, and not just formalized academic credentials?

And so our union apprenticeships and our merit-based apprenticeship programs sit at the table and discuss how we create opportunities for people to look at going into the apprenticeship field when they're young. But you know our average age of our apprenticeship when they join Colorado is 27 years old, so we need to make sure that people, I don't want to say floundering, but they want to look for better opportunities and livable wages in the communities.

The apprenticeship system is to both unionize and merit-based apprenticeships here in Colorado offer great opportunities so that they don't have to stop earning and get a credential at the same time.

Mr. POCAN. And let me ask you a quick followup to something kind of related, trade adjustment assistance. Can you talk a little bit more about that because in our area I know that I still you know even since I've been in Congress, I'm still watching companies go overseas or south of the border, and we're still having some workers who are displaced out of that?

Can you talk a bit more about no matter what the job loss is, how we can try to make trade adjustments assistance, what we could add to this bill in that area?

Mr. BARELA. For Colorado, what a great question as far as we go through coal disruption and the closing of our coal plants, our coal mines. If we could look at the trade adjustment model to in this particular case, the coal industry.

And I think one of your previous colleagues asked about the fossil fuel industry. How do we take care of those workers who are probably in primary jobs in their communities, and help with transitioning from those jobs into jobs in those communities that pay at or close to that rate?

And so we could take the trade adjustment model and make sure that we look at them holistically. In Colorado we're using State and some WIOA funds to do it now as we plan for that, but there are not a lot of resources to deal with those huge impacts not only to the workers, but the tax revenue that those industries provide to

the communities to support them is going to be something that we struggle with.

Here it's the coal industry, but because of technology the disruption will happen in many industries, and so we need to be prepared. What is the package that best serves not only the employer, but the worker and the community that's left behind from those disruptions?

Mr. POCAN. Thank you. And Ms. Wu since you brought up the comment about at the table, any thoughts on how we can help bring labor to the table to try to help improve in this area as well?

Ms. WU. Well I know that's an important place where labor's voice is heard is at the workforce boards. And you know as technology is changing workplaces it's important to hear what worker's perspective is there because they're the ones doing the job every day.

They have a lot of insights about how technology can be used efficiently and well, and you know I think it's important to bring everyone into the conversation and help workers see the opportunities for them as well as address the concerns they may have.

Mr. POCAN. Great thank you. Madam Chair I'll yield back my two seconds.

Chairwoman WILSON. Thank you appreciate it. And now we'll go forward with Ms. Bonamici the very patient Ms. Bonamici.

Ms. BONAMICI. Thank you so much Chair Wilson, Chair Scott, Ranking Member Foxx and thank so much to our witnesses. Just to briefly followup on that conversation we were having about the need for partnerships and meeting local demand, I have a great agriculture of science example.

Here in northwest Oregon where Yamhill Carlton High School students, typically FFA members have classes in viticulture. It's probably the only vineyard in the country planted and managed by high school students. They can get credit at Chemeketa Community College and they're ready to work in the wine industry which is a big part of the economy and part of the district I represent.

So I want to move on, and you know recognize that as we have in the comments today that the economic consequences of COVID-19 and the pandemic have been kind of a stark reminder of the problems of consistently underfunding our Nation's workforce system.

We do not have adequate pathways now and supportive services for displaced workers to help them access probably the upskilling and reskilling opportunities, and at the same time entire sectors of our economy like manufacturing and energy are on the brink of significant transformation that will create new good-paying jobs.

In fact, I'm also in a science Committee hearing with Secretary Granholm today talking about these workforce issues with the energy transition. So we need to make sure that those have been affected by structural changes in our economy have access to transition assistance programs, investments in workforce training and economic support, development support.

So Mr. Barela I appreciated your reference to Colorado's Just Transition Office. I'm currently working on a bill to establish a national economic transition office which is modeled on Colorado's efforts that will help scale up and target Federal economic and work-

force development assistance to communities and workers beginning with the coal economy.

So in my work on this legislation I've heard from many in the workforce system about the strengths of the trade adjustment assistance program, which of course Mr. Pocan just mentioned for training and income support, but Mr. Barela, should displaced workers receive different benefits based on the reason for their displacement, or do we need a model that serves as sort of a universal dislocated worker program, and how can this Committee expand WIOA benefits to serve more workers regardless of the cause of displacement?

Mr. BARELA. Representative great question and thank you for that. I do think that it should matter, the reason of the cause of displacement, but the package that's available to workers is robust enough for them to be successful transitioning in their communities.

So many of what has happened is people realize that you know I'm getting back to the power generation. If there's a job somewhere else those workers are forced to move to where the jobs still exist, rather than look at opportunities to stay in their community that they chose to live with in Colorado.

So I think you know you look at housing assistance, transportation assistance, support services, access to training. I know a lot of these unionized positions in the generation, power generation, you know if they have to move into another category or program and then they have to start back at that apprentice level, and it could take four or 5 years to get back to the journeyman level and is to say power transmission.

And so, I don't want to say wage guarantee, but the wage replacement to keep them whole as they're upskilling and moving to that new opportunity would be a great opportunity that we just can't resource through the dislocated worker program. So when you look at how the disruption is going to happen through industry after industry because of technology, it would be great to have a package that's universal to dislocated workers.

Ms. BONAMICI. Absolutely. And I don't want to cut you off, but I wanted to get in another question. We also need to consider strategies that help workers avoid displacement before it occurs. So for example, here in northwest Oregon, Oregon Manufacturing Innovation Center, also known as OMIC brings together industry leaders, Boeing, educational institutions including Portland Community College, Oregon Institute of Technology, Oregon State, Portland State.

Together they're developing a registered apprenticeship program in advanced manufacturing. So Mr. Barela you talked about Colorado's efforts to secure more than 1,600 sector partnerships, so what are some of the best practices for sector partnerships that could be scaled at a national level, or codified when we reauthorize WIOA and how have they helped create career pathways and emerging industries to meet the needs of local businesses?

Mr. BARELA. I think I'll highlight the healthcare industry in looking at how it's really dependent on industry and business partners coming together at the table forgetting they may be competitors out in the real world and figure out how they meet critical talent needs

collectively as an industry and getting them to the table and saying here are the critical skill shortages, but also maybe the occupational shortage.

And then making sure that there are educational pipeline systems hearing them and creating programs that can meet their needs. And that's not stagnant. That has to be agile because we know those needs change very rapidly now. You know they're not 5 and 10 years, they're 1 year and 2 year, and so that education pipeline system needs to be agile in listening to business and industry.

Ms. BONAMICI. Terrific. Thank you very much. And my time is expired, I yield back thank you Madam Chair.

Chairwoman WILSON. Thank you. I remind my colleagues sorry our Chair of the Committee Dr. Foxx are you ready? Chairman Scott.

Mr. SCOTT. Thank you, Madam Chair. Mr. Barela we've heard a lot, you've mentioned I think in your testimony about the possibility of counter cyclical spending with Medicaid when poverty goes up, Medicaid spending goes up, SNAP benefits, unemployment benefits, and there's a recession should workforce training benefits be also on a counter cyclical basis?

Mr. BARELA. Thank you, Chairman Scott. What a great question. We're so reactive in the dislocated worker program and several of our Title I programs. It should be made available. I don't know I think if there could be a trust fund like we have with the unemployment insurance system that's available for states, localities to take advantage of.

When there is a surprise and economic downturn that's acute, so that we have resources to serve and maybe prevent the dislocation. I do feel when people stay attached to employment if it's through upskilling and reskilling, and working with the employer, we're much better off.

And so I do think it should be that funding formula needs to be looked at so that local workforce boards, State workforce councils have access to that fund when they need it, not waiting for the bulk of that resource to be seen 2 years out when you may not need it.

Mr. SCOTT. Yes, we keep hearing that we're serving about one-third of the people that actually need assistance. Does that mean we're serving one-third of the people at the full cost of service? Or we're serving everybody in about one-third of what we ought to be spending on each one?

Mr. BARELA. Great question. You know I think I mentioned in 2019 Colorado had about 77,000 people use the public workforce system. Only 7,000 of those individuals received intensive services or training, or upskilling.

The far majority of those are just getting career coaching and navigation. So we could do so much better to be responsive to the critical skill shortages we have if we could upskill people when they're dislocated, or before they're dislocated. So it's a very good question.

Mr. SCOTT. Thank you. Mr. Sigelman. The first step I think is getting on the vendor's list to provide services. If you're on the vendor's list how does the program actually target the job training to

where it's needed? If everybody wants to be a dental assistant, but the area needs welders, how does that work?

Mr. SIGELMAN. Representative Scott I'm so glad you asked that question because it's a critical and urgent problem right now with our eligible training provider lists. In most places there are no defined standards for what qualifies as fundable training.

And so there's often a political process of what sectors are able to shout the loudest. We need, and I think this is an opportunity for Congress to act, in creating rigorous standards to make sure that the training that we fund aligns to jobs that are in demand, that are in demand locally, because jobs that are maybe in demand in one part of the State may not be elsewhere.

That they are also vetting that they are teaching the skills that differentiate people for those jobs, and that those are jobs that are good jobs, that pay well and provide people with upward mobility from there.

Mr. SCOTT. Well we thought that's what we were doing when we funded and had the local board and didn't tell them what to do, that I guess we need to do a little more work on that. But in terms of skills how do what are called soft skills, how do they fit into the program?

Mr. SIGELMAN. They're very important and I think they need to be part of every kind of training program that we do. Just teaching somebody how to code, or how to weld isn't enough to get them a job. In the 21st Century economy jobs blend skills. Our research shows the new foundational skills that are cross-cutting across most kinds of jobs in the 21st Century economy, and they include not only technical skills, but also human skills, like creativity and ability to communicate.

They include data skills and digital skills as has been pointed out earlier in the hearing, and of course also business skills. We're finding there are certain business skills like project management whether you're a nurse case manager, or whether you're in construction, or whether you're in IT. Those are sets of skills which are broadly needed.

We need to make sure that students have the full package, that our workforce training integrates those foundational skills alongside technical training.

Mr. SCOTT. Are people that provide those kinds of skills, are generally found on the vendor lists?

Mr. SIGELMAN. I think the vendor lists have a very wide array of providers. Some of them are doing really excellent work.

Mr. SCOTT. I mean if you have a provider of soft skills, is it likely that they could be providing those services in the community?

Mr. SIGELMAN. I'm sure they're provided. I would want to make sure that those soft skills are being provided alongside hard skills. If somebody just takes a course in communications, but they still don't have the technical skills, it's going to be tricky. The 21st Century economy industry needs are both that as valuable as foundational skills are, people also need to be able to have the technical skills that enable them to be productive on the job on Day 1.

Mr. SCOTT. Thank you. Thank you, Madam Chair.

Chairwoman WILSON. Thank you. Thank you. Representative Mrvan.

Mr. MRVAN. Thank you, Chairwoman. First, I'd like to extend my thanks to Chairwoman Wilson and Ranking Member Murphy for allowing me to participate in today's hearing as a non-Subcommittee Member. I would also like to extend my thanks to Subcommittee and to staff for recognizing the workforce development initiatives taken in the State of Indiana and providing the opportunity for Mr. McGrew to testify today.

As a representative from Indiana's First congressional District, I am proud that Indiana with the leadership of Governor Holcomb and Mr. McGrew have demonstrated the incredible value of innovative and effective workforce development programs with proven results.

As we toward the end of the hearing I want to ask Mr. McGrew are there any other successful Indiana actions you would like to highlight? And, if not already discussed, what Federal actions can be taken to support your initiatives and to allow other states to follow your example?

Mr. MCGREW. Thank you Representative Mrvan. You know I think one of the things that we continue to try to do is connect employers to you know, and that has been one thing that has come up time and time again today is how we're going about doing those things.

I previously mentioned the UI data project that we're working on to provide direct targeted information to our UI clients on educational opportunities, as well as job opportunities to fit their needs. And today we're also launching an employer connector tool for our career in tech ed program.

The workforce cabinet also serves as the state's eligible Perkins recipient, so we direct all of the career and technical education activity throughout the State, and so we provide opportunities for our high school students to opt into sharing their contact information with employers.

And so we're using that information that we have to get that out and of course directly to our employer communities. So we think that will help alleviate some of those you know issues that employers are dealing with, especially as we come into better alignment for our CTE programs with our local labor market needs.

So we're very excited about that. I'd also say looking outside of government for work and activity that's being done, I serve on our State Chamber of Commerce as New Institute for Workforce Excellence board, and they are working to identify not only State and Federal resources that are available to employers to work on talent attraction, talent development, talent recruitment, but also what is happening at a local level.

So whether or not local chambers have programs or county community foundations have programs, so I think looking outside of the system for support is another way that we can really leverage things and work better together.

Mr. MRVAN. I thank you very much. And my followup question is coming from the First District obviously labor is extremely important, also labor unions, but my question is what the State of Indiana is, and any of you might want to add to this, on manufacturing and making sure we bring workers along to the next generation of manufacturing and the renewable energies exactly if we

could just have your view of that Mr. McGrew what we're doing in Indiana.

Mr. MCGREW. Yes. So I think one exciting opportunity that we have is our smart manufacturing grants that we're providing employers to help transition to new technologies. With that comes obviously the reskilling, and upskilling of incumbent workers to meet those new technological needs.

So I think with our employer training grant, and the fact that it can be used for incumbent workers provided there is a wage gain, that the employee sees as important, but I also think in redesigning and using employers to really look at our community college system, and our high school career and tech ed system to make sure that we have the skills that are going to be needed once those graduates complete the program in two or 3 years really fit with where technology is going.

Mr. MRVAN. Thank you very much. And I thank the Subcommittee and at this time I'd like to yield back my time.

Chairwoman WILSON. Thank you. Thank you for visiting us today. I don't believe we have any other Members questioning OK. I'll remind my colleagues that pursuant to Committee practice materials for submission of the hearing record must be submitted to the Committee Clerk within 14 days following the last day of the hearing.

So by close of business on June 10, 2021, preferably in Microsoft Word format. The materials submitted must address the subject matter of the hearing. Only a Member of the Subcommittee, or an invited witness may submit materials for inclusion in the hearing record.

Documents are limited to 50 pages each. Documents longer than 50 pages will be incorporated into the record by way of an internet link that you must provide to the Committee Clerk within the required timeframe.

But please recognize that in the future that link may no longer work. Pursuant to House rules and regulations, items for the record must be submitted to the Clerk electronically by email submissions to edandlabor.hearings@mail.house.gov.

Again, I want to thank these amazing witnesses for their participation today. Great information. You have given us a path forward and we thank you. Members of the Subcommittee may have additional questions for you, and we ask the witnesses to please respond to those questions in writing.

The hearing record will be held open for 14 days in order to receive those responses. I remind my colleagues that pursuant to Committee practice when there's questions for the hearing record, must be submitted to the Majority Committee Staff or Committee Clerk within 7 days. The questions submitted must address the subject matter of the hearing.

I now recognize the distinguished Member of the full meeting for a closing statement, Dr. Foxx.

Ms. FOXX. Thank you Chairwoman Wilson I appreciate that very much. And again I thank the witnesses for sharing their perspectives on how our workforce system can be better prepared for the 21st Century skill-based economy.

I note that most of the other Members have left the hearing and that's fine with me because I want to make a little speech that they've all heard before, and I apologize to the Chairwoman and to the Chair of the Committee.

We've invested billions of dollars from hard-working taxpayers into the workforce system, but it's clear that the system is not effectively meeting the needs of workers or employers across the country leading to a vast and growing skills gap, and the situation that we have described today.

And I want to bring up something particularly to our panel Members that I think leads to this and leads to it significantly. I read all of your testimonies yesterday and last evening, and over and over and over in your testimony and today you have used what I call the T word, training.

I believe that a big part of the problem that we have in our country is the fact that we have segregated and divided our workforce into two different groups, and I've listened very carefully today to your comments. I've noted at no point did we talk about people with baccalaureate degrees who may be out of work and may need upskilling or reskilling.

You know I'm an English major. I was an English major went on and got two degrees beyond that, but probably if I weren't in the Congress I might need upskilling, particularly in the use of computers, but we didn't talk about that.

So what we've been talking about primarily today are the 70 percent of the people who don't have baccalaureate degrees. And I think that you've contradicted yourself in several places, and I don't mean to be critical, I want to raise your awareness.

You keep talking about training, but Mr. Sigelman you particularly said we need people to have human skills, we need people with awareness skills, we need people with project management skills. Well the only thing I remember from my doctoral program is that you train dogs, and you educate people.

And I think that what we've so much talked about today is having people learn specific kinds of skills that aren't necessarily ability to be upskilled or to be reskilled because we're not talking about the kind of things that will help them learn over and over and over again.

And so I'm very, very concerned about that. And I would like to urge you all to look at all of your literature and say should we be talking about education where we think with education, certainly I think all of us feel that way, we are helping the whole person learn, and learn throughout their lives.

I'm a big believer in continuing education and lifelong learning, so I really want to urge you to do that because I think it's a great issue. I want to associate myself also with the comments that Chairman Scott made in his comments where he talked about how we tried in WIOA to give a lot of local control, and yet I think again Mr. Sigelman you talked about the fact that you find in so many cases people are not offering the skills that are needed for the 21st Century jobs, but what's available now.

So I think we have to look very carefully, and I don't think we've got enough feedback on this today on how we balance account-

ability with local control. We push local control a lot, but we have to have accountability, or we're pouring money down a rat hole.

And we would be seeing better results in terms of where our workforce is now if we were able to balance those two things I think better. And I do appreciate the fact that we've talked about removing obstacles. I think we have to do that. We have to use all the tools at our disposal. I did notice some of the witnesses jotting down the \$5,250.00 tax deduction for the private sector, which made me believe that all the witnesses understood that or understood the \$5,250.00 that can be used.

And I think it's very important that we do that. I think this was a great conversation today. It brought out a lot of issues that I think we need to be dealing with as we look to the reauthorization. I think we have a lot better understanding of what the needs are going to be in the 21st Century, but I do urge we ourselves on the Committee, and those of you out there doing the work that you're doing, to rethink how you talk about these things.

Because if we want to get people to stay in the education system, which is what it is, or come back into the education system, whether they left at the end of high school, or after some community college, or even after baccalaureate degree, or even after a master's degree, we've got to talk about treating these people with dignity.

And I don't think we talk about dignity when you talk about training. That's my point. If you understand that we want to talk about education and workforce development, and I think that's so important. So I want to urge you to do that, and again I want to thank the Chairwoman and the Chairman of the Committee for helping put together a good bipartisan panel today and hearing and with that Madam Chairman I yield back.

Chairwoman WILSON. Thank you, Dr. Foxx. I now recognize myself for the purpose of making my closing statement. Thank you again to our witnesses for your testimony and for guiding today's discussion on the need to help workers recover from displacement, navigate future changes in employment, and access lifelong learning opportunities.

Today we affirmed WIOA's proven track record of supporting workers who have lost their jobs, whether it is due to automation, climate change, or global pandemic. These programs are among the best tools that we have to ensure that displaced workers can get the skills and support they need to build more rewarding careers.

This bipartisan reauthorization is an opportunity for Congress to realize the full potential of WIOA's program for both workers and employers. That means addressing the current underfunding of training programs, including individual training accounts. And it means making the serious investment in workforce development that our competitors in other industrialized economies have made for decades.

It means ensuring the workforce system has the necessary data to help workers leverage the skills they already have so that programs can serve people more rapidly, less expensively, and with greater long-term success.

It also means expanding comprehensive support to help dislocated workers find new and rewarding career pathways, even beyond the pandemic. Most important it means prioritizing invest-

ment in lifelong learning and career support so that workers can avoid being displaced without the skills required to transition to better jobs.

I look forward to working with my colleagues on this Committee to pass a WIOA reauthorization that not only helps workers recover from displacement, but also prepares them to thrive, in a changing economy for years to come.

If there's no further business before this Committee without objection this Subcommittee stands adjourned.

[Question submitted for the record and the response by Mr. McGrew follow:]

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June 4, 2021

Mr. PJ McGrew
 Executive Director
 Indiana Governor's Workforce Cabinet
 100 North Senate Avenue, Suite 800N
 Indianapolis, IN 46204

Dear Mr. McGrew:

I would like to thank you for testifying at the May 27, 2021 Subcommittee on Higher Education and Workforce Investment hearing entitled "*Workforce Innovation and Opportunity Act Reauthorization: Creating Employment Pathways for Dislocated Workers.*"

Please find enclosed additional questions submitted by Committee members following the hearing. Please provide a written response no later than Friday, June 11, 2021, for inclusion in the official hearing record. Your responses should be sent to Katie McClelland, Rasheedah Hasan, and Mariah Mowbray of the Committee staff. They can be contacted at 202-225-3725 should you have any questions.

I appreciate your time and continued contribution to the work of the Committee.

Sincerely,

ROBERT C. "BOBBY" SCOTT
 Chairman

Enclosure

Subcommittee on Higher Education and Workforce Investment Hearing
 "*Workforce Innovation and Opportunity Act Reauthorization: Creating Employment Pathways for Dislocated Workers*"
 Thursday, May 27, 2021
 12:00 p.m. (Eastern Time)

Representative Ilhan Omar (D – MN)

1. Mr. McGrew, I appreciate you for offering your time and expertise to enlighten us on the importance of supportive services in your state. I did have a few follow-up questions that I wanted to ask related to the coordination and delivery of such services. *Do these support services have an impact on training program completion or employment retention in Indiana? Do you think you have sufficient resources and flexibility that you need from WIOA to provide supportive services in the most effective and coordinated manner? Would it be helpful to your work if a new formula grant to states was established to assist local workforce systems specifically reserved for improving access to support services?*



TO: Education and Labor Subcommittee on Higher Education and Workforce Investment
 FROM: Patrick (PJ) McGrew, Executive Director, Governor's Workforce Cabinet
 RE: Workforce Innovation and Opportunity Act Reauthorization: Creating Employment
 Pathways for Dislocated Workers Follow-up
 DATE: June 11, 2021

Representative Omar,

I appreciate the opportunity to provide a follow-up regarding your questions around supportive services for WIOA clients. In Indiana, supportive services do tend to have a positive impact on both training program completion and employment retention. We not only see this through our WIOA programs but have also seen the positive impact of supportive services in our state funded NextLevel Jobs programs that were discussed during the hearing. Throughout the pandemic, we evolved the non-credit Workforce Ready grant program from a self-service program to include an option by which our Workforce Boards serve as an entry point into the system and are able to provide supportive services as an individual completes their education and training program. This has resulted in higher completion rates than for those clients only utilizing the self-service option.

The amount of funding that is dedicated to the workforce system is significantly less than that which is dedicated to the higher education system. There are certainly ways in which we can, and should, be looking at these systems through a much more integrated lens than what we currently do at both the state and federal level. Workforce development and training certainly includes higher education, and we need to continue to find ways to highlight the fact that the best path toward economic mobility is through the attainment of a stackable credential beyond a high school diploma. Expanding upon the notion of looking at the entire system should also include social service supports such as: food assistance (SNAP), cash assistance (TANF), healthcare assistance (Medicaid), housing assistance (CDBG and CSBG), and childcare (CCDF) to take a much more comprehensive look at each individual that is being served throughout the system and their needs and necessary supports while they participate in training to be able to access quality employment that can lead to economic mobility. Providing additional funding for supportive services through WIOA will not fully resolve gaps that exist for individuals that participate in other supportive service programs as well as WIOA supported programs. Each supportive service program has different eligibility requirements, and often times these services are administered by a different federal or state agency that is siloed off from other services that support an individual's transition to employment. Additionally, there are different reporting requirements and often times the lack of opportunity to share data across programs limits the ability to stack services together in the way that WIOA had originally intended. Addressing these disconnects cannot be done through WIOA reauthorization alone, but through a full-scale examination in how these programs interact to truly provide supports to individuals. This includes a deep dive into infrastructure agreements between WIOA programs and other supportive service programs to help bridge the gap for those that need help while they enroll in education and training programs. The current law regarding these agreements has at times created more silos here in Indiana than authors of WIOA envisioned.

A new grant for supportive services could be helpful to this work, but it should be designed in such a way that all other options for supportive services are exhausted prior to drawing down on new dollars for such supports. There could also be some type of funding mechanism to incentivize each component of a true talent development system (workforce, education, and supportive services) to work together in a more coordinated way. This could help ease tensions between agencies and programs regarding infrastructure agreements. There is a desire amongst partner programs to work together, but sometimes there are structural issues, such as data sharing, that lead to ineffective partnerships or stall partnerships from happening altogether. Should a new grant be added, allowing for maximum flexibility in how those dollars are combined with other state and federal funding streams will allow for local workforce boards to develop innovative strategies to best serve clients around their specific needs.

I hope you find the insight helpful. Do not hesitate to reach out further as you and your colleagues consider changes to the Workforce Innovation and Opportunity Act.

[Whereupon, at 2:49 p.m., the Subcommittee was adjourned.]

