



## NATIONAL SKILLS COALITION

**Every worker. Every industry. A strong economy.**

March 4, 2013

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

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

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

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

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

On behalf of National Skills Coalition—a national network of business leaders, union affiliates, community colleges, community-based organizations, and public workforce agencies working together to help every worker and every industry in this country gain the skills they need to compete and prosper in today's economy—I am writing to express significant concerns with the Supporting Knowledge and Investing in Lifelong Skills (SKILLS) Act ([H.R. 803](#)).

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

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

- 1) Enhancing the *effectiveness* of our nation's workforce system in meeting the skill needs of all U.S. workers and businesses, through expanded access to training and greater industry involvement in determining what that training should entail;
- 2) Strengthening *accountability* across all of our workforce and education programs, so that states and localities are aligning limited federal resources with labor market demand, while also ensuring that the needs of all individuals, including those who are harder-to-serve, are met; and
- 3) Promoting *innovation* by building on the lessons learned and best practices developed over the past 15 years by the workforce field, so that high-performing states, localities and practitioners can bring those innovations to scale, and so that others are encouraged to adopt these effective practices to better meet the needs of local workers and industries.

Unfortunately, it seems that some of the policy changes proposed under H.R. 803 may not actually achieve these goals. Our principle concerns with the bill include:

- First, in the name of alignment and improving efficiency—necessary goals for our future workforce system—H.R. 803 adopts a broad consolidation approach, eliminating more than 35 federal programs that collectively provide a variety of services to support the training and employment of many different types of workers. Like many workforce development stakeholders, National Skills Coalition supports efforts to improve alignment and integration across programs—such as WIA, Adult Basic Education, the Pell Grant program, and important supportive services such as transportation and child care—and institutions such as CBOs and community colleges. National Skills Coalition helped draft, and strongly supports, a [broad set of principles](#) (attached) outlining the key goals and necessary elements of a careful and thoughtful approach to improving alignment and integration across the federal workforce development system.

However, consolidation, in and of itself, will not produce reform. Simply combining funding for a list of programs does not guarantee that workers or businesses will be any better served if those investments are not guided by the effective practices developed by the workforce field over the past 15 years. The Workforce Investment Fund block-grant proposed under H.R. 803 would do little to require states to adopt documented, effective practices, and may actually create perverse incentives for even high-performing states to abandon effective strategies they have implemented to bring a wide range of people into the skilled labor market. National Skills Coalition opposes the consolidation approach proposed under H.R. 803.

- Second, H.R. 803 emphasizes the need for workforce programs to be more closely aligned with changing industry needs, a goal National Skills Coalition strongly supports. However, simply increasing the percentage of employers serving on Workforce Investment Boards (WIBs) will likely do little to increase the number of employers involved in the local or

regional definition of industry-recognized credentials or in the design of related training and employment strategies. At the same time, by decreasing the role of other community stakeholders' participation on the WIBs—including community-based organizations, service delivery providers, labor representatives and youth advocates—H.R. 803 actually threatens to limit the range of perspectives in the planning of workforce services that will meet the needs of both employers and workers within local communities.

Under current law, there are WIBs with 51 percent employer membership that are actively collaborating with multiple firms and other stakeholders in industry-specific sector partnerships, and at the same time there are WIBs with 51 percent employer membership that are not. The number of employers on these WIBs is not the determinant factor. Rather, it is how many employers are meaningfully engaged through industry-specific partnerships, such as those proposed in the SECTORS Act (H.R. 919) introduced by Representative Loebsack (and passed unanimously by the House in the 111<sup>th</sup> Congress). To truly engage employers, the development of such sector partnerships needs to be a state and local priority with funded capacity to help maintain these partnerships so the system can quickly and effectively respond to changing industry needs.

- Third, and perhaps most troubling, H.R. 803 seems to ignore the diversity of individuals who are part of our nation's rapidly changing workforce. With mounting skill demands and the pending retirement of millions of skilled baby boomers, we must ensure that every U.S. worker, even those with the greatest skill needs, can eventually qualify for skilled employment. We need a diversity of pathways into the labor market that meet the skill needs of all jobseekers: young people struggling to find their first job; mid-career dislocated workers who have been employed for 20 years but who now must re-train for a new occupation or even to remain in their own industry; older workers who are postponing retirement and need some skills and support to continue earning a living; and vulnerable populations such as disconnected youth, individuals with low-literacy or limited English proficiency, migrant and seasonal farmworkers, and low-income single-parents.

H.R. 803 requires that states set aside just 2 percent of formula funds for services for individuals with barriers to employment, a substantial drop from the already inadequate resources devoted to those job-seekers. It removes the provision of supportive services as an allowable use of funds. It eliminates the current priority of services for low-income individuals. It eliminates entirely designated funding for services to low-income youth. And, beyond those provisions and programs that the bill would eliminate through consolidation, it further opens the door for states to use "super-waivers" to roll other federal programs that serve our most vulnerable into the same undifferentiated pot—including Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program Employment & Training (SNAP E&T), Trade Adjustment Assistance (TAA), Vocational Rehabilitation services, and the Community Services Block Grant, among others. As a result, it seems almost certain that the consolidation of programs proposed under H.R. 803—particularly when coupled with the numerous policy changes in the bill that reduce

protections for low-skilled, low-income, and other targeted populations—will almost certainly reduce access to education and training services for our nation’s most vulnerable workers.

- Finally, the level of investment in a skilled workforce provided under H.R. 803 must be considered in the context of the current fiscal debate. While the committee appears to cap the authorization at close to Fiscal Year (FY) 2012 funding levels rather than propose deep cuts, National Skills Coalition is extremely concerned that consolidation proposals like that proposed under H.R. 803 have been cited by others in Congress—including Budget Committee Chairman Ryan in his budget blueprint—as rationale for continuing our nation’s disinvestment in the skills of its people, across a range of programs: adult education, job training, career and technical education, and even higher education. The House-passed FY 2013 budget resolution would have cut over \$16 billion from our nation’s education, workforce and social service programs under Budget Function 500, and we expect to see a similar proposal in the FY 2014 House Budget Resolution. We fear the passage of legislation such as H.R. 803 will be used to justify extremely deep cuts in skills investments.

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

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

Sincerely,



Rachel Gragg, Ph.D.  
Federal Policy Director

Cc: Members Education and the Workforce Committee