

January 31, 2011

The Honorable Harold Rogers
Chairman, Appropriations Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Norman Dicks
Ranking Member, Appropriations Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Denny Rehberg
Chairman
Labor-HHS-Education Subcommittee
U.S. House of Representatives
Washington, DC 20515

The Honorable Rosa DeLauro
Ranking Member
Labor-HHS-Education Subcommittee
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Rogers, Ranking Member Dicks, Chairman Rehberg, and Ranking Member DeLauro:

In today's increasingly competitive and turbulent world economy, U.S. economic growth and prosperity depend in large part on the education and skills of the American workforce. Yet according to the most recent BLS report (December 2010), 14.5 million Americans remain without jobs – with over 40 percent in the ranks of the “long-term unemployed.”¹ These numbers do not take into account discouraged workers and those forced into part-time employment. And they do not convey the fact that in December 2010, youth unemployment (16-19) was near an all-time high of 25.4 percent – and that 18.1 percent of all 16-24 year olds are now unemployed.

Many dislocated and discouraged workers are unable to return to their previous occupations because those jobs no longer exist. They require new skills and credentials to transition into new careers. Even those who are able to return to work will likely need to upgrade their skills and obtain new credentials. And there is no question that disadvantaged and disconnected youth are in need of significant interventions to connect them with education and employment opportunities. **The publicly funded workforce development system has faced unprecedented challenges over the past three years, and has helped over 8 million youth and adults in the last year alone regain employment or obtain the education and training they will need for new careers. The need for an adequately funded workforce development system has never been more urgent.**

Our organizations represent businesses, unions, education and training providers, community-based organizations, and public officials committed to ensuring the United States has the most highly-skilled and competitive workforce in the world. We strongly believe that workforce development is a critical component of economic growth, helping workers make difficult transitions and helping communities rebuild their economies.

¹ <http://www.bls.gov/news.release/empsit.nr0.htm>

We ask for your leadership in prioritizing investments in federal employment and training, adult education, and postsecondary education programs as you complete work on Fiscal Year (FY) 2011 appropriations and look forward to FY 2012. We are keenly aware of the deep constraints and difficult choices facing Congress in today's fiscal climate, but reducing our nation's investments in workforce development, basic skills and postsecondary education will have an immediate impact on business' ability to find qualified workers, and will do lasting damage to our nation's position as a global leader in the 21st-century economy.

To stay ahead in the global marketplace, we need workers who can quickly adapt to new technologies and business processes, and can be active partners in driving innovation and improving service delivery. Strong investments in job training, adult education and postsecondary education programs are needed to bolster American workers and businesses at this time of high unemployment. Despite record unemployment, many employers struggle to find workers with the skills and credentials to fill even current job openings and to plan for future growth due to uncertainty about the future workforce. These challenges are not isolated to a single geographic region or industry. According to a 2009 Business Roundtable report more than 60 percent of U.S. employers were experiencing difficulties in finding skilled workers at the height of the recent economic downturn.² Similarly, a national survey of nearly 800 industrial companies conducted by Deloitte, The Manufacturing Institute and Oracle in 2009 found that 32 percent of surveyed companies were facing moderate to serious skills shortages.³

To sustain our nation's fragile economic recovery efforts, and ensure that all U.S. workers and businesses can access the training and education necessary to compete and prosper, we ask that you:

- *At a minimum, maintain current funding levels for employment and training programs under the Workforce Investment Act (WIA) and the Wagner-Peyser Act.* As noted, the last three years have seen significantly increased demand for job training and related services, as millions of unemployed and underemployed workers sought employment assistance and education and training services to upgrade their skills to get or keep family-supporting jobs. Because of the infusion of dollars through the American Recovery and Reinvestment Act (ARRA), programs funded under the WIA Adult, Dislocated Worker, and Youth state formula grants were able to serve 8,025,635 individuals during the twelve-month period ending June 30, 2010,⁴ an increase of 257 percent over the comparable period ending June 30, 2007 (prior to the recent recession).⁵ In fact, the workforce investment system served more than 355,000 disadvantaged and disconnected youth between the ages of 14 and 24 just from May through November 2009, vitally important given that the unemployment rate for youth is currently over 18

² http://businessroundtable.org/uploads/studies-reports/downloads/BRT_Getting_Ahead_online_version_1.pdf

³ http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/us_pip_peoplemanagementreport_100509.pdf

⁴ http://www.doleta.gov/Performance/results/quarterly_report/June_30_2010/WSR_June_30_2010.pdf#page=1

⁵ http://www.doleta.gov/Performance/results/Quarterly_report/Quarterly_report_June07_Final.pdf

percent. The number of individuals served by the Wagner-Peyser Employment Service (ES) increased by 77 percent during that same timeframe, from 12,682,166 to 22,447,124. While Congress provided critical additional resources to support WIA and ES services under ARRA, those funds are set to expire this summer, placing enormous strains on a publicly funded workforce system that has seen baseline funding decline by nearly one-third (in inflation-adjusted terms) since FY 2002.⁶ With demand likely to remain at elevated levels for the foreseeable future, states and localities must have sufficient support to maintain their existing workforce infrastructure and service levels while continuing to seek innovative service delivery strategies that maximize the effectiveness of education, training and employment programs for workers and businesses alike.

- *At a minimum, maintain current funding levels for adult basic education.* There is little doubt that increased training and education opportunities for workers and businesses will be critical to support our nation's economic future: one recent report found that about 63 percent of all job openings between 2008 and 2018 – nearly 30 million jobs overall – will require at least some form of postsecondary education and training.⁷ At the same time, many individuals lack the basic skills necessary to succeed in college or the workplace. The National Commission on Adult Literacy reports⁸ that as many as 88 million working-age Americans have a least one significant educational barrier – such as low literacy, limited English language skills, or the lack of a high school diploma – while a recent Department of Labor report on workers in “declining industries” found that more than half had “basic” or “below basic” prose literacy levels, and more than sixty percent had basic or below basic quantitative literacy levels.⁹ To ensure that these individuals are able to fully benefit from occupational training and postsecondary education, we must, at a minimum, maintain funding for state adult basic education grants in FY 2011 and 2012.
- *Ensure the federal Pell Grant program is fully funded.* According to the College Board, the number of Pell Grant recipients increased by 26 percent between the 2008-09 and 2009-10 academic years, as many low- and moderate-income students sought postsecondary education to improve their career prospects.¹⁰ Even though this surge in college attendance will pay important long-term dividends in enhancing the skills of our workforce, there have been challenges keeping up with current demand: Congress was forced to provide additional funding as part of the recent continuing resolution to prevent award reductions in 2011. We urge you to take steps to ensure that the Pell Grant program is not threatened with future shortfalls.

⁶ Calculations by National Skills Coalition based on FY 2002 and 2010 appropriations for WIA Adult, Dislocated Worker, Youth, and Dislocated National Reserve programs, and Wagner-Peyser Employment Service state grants, adjusted for inflation.

⁷ <http://www9.georgetown.edu/grad/gppi/hpi/cew/pdfs/FullReport.pdf>

⁸ <http://www.nationalcommissiononadultliteracy.org/ReachHigherAmerica/ReachHigher.pdf>

⁹ http://wdr.doleta.gov/research/FullText_Documents/Workers_in_Declining_Industries_Literacy's_Role_in_Worker_Transitions.pdf

¹⁰ http://trends.collegeboard.org/student_aid/report_findings/indicator/Pell_Grants

- *Ensure Unemployment Insurance (UI) Administrative Funding and Reemployment Programs are fully funded:* States do not receive enough administrative funds to upgrade their computer systems (which average 23 years) and telephone call centers, hire more staff, and maintain their unemployment insurance infrastructure. When adjusted to constant 2000 dollars, base funding for State UI Administration is at its lowest levels since 1986. The enormous influx in UI claimants brought on by the recession has not abated and unemployment rates will remain high for the next several years and not reach pre-recession levels of about 5.5 percent until 2016 according to the Congressional Budget Office.¹¹ As of December, 2010, 14.5 million workers were unemployed and many of these jobs will not return due to structural changes in the economy. The number of **long-term unemployed** (those jobless for 27 weeks or more) illustrate this trend and stood at 6.4 million workers in December, a historic high. Reemployment Services for UI claimants and Reemployment Eligibility Assessments are proven to work in a cost effective manner. A \$500 million investment in reemployment services can reap a UI benefit savings of \$1,125 million and a net UI benefit savings of \$625 million by reducing the average UI benefit claim by 3 weeks for 1.25 million claimants.

Again, we know that you are being asked to balance many competing priorities, but investments in the skills of our workers and businesses, and efforts to assist people in getting back to work are critical to helping our nation rebuild the economy and maintain our competitive edge. With the economy finally showing signs of recovery, and businesses increasingly looking to hire new workers to take advantage of emerging opportunities, it is more critical than ever to support the education, training and postsecondary strategies that help ensure America is ready to get back to work.

We thank you for your leadership and vision, and we look forward to working with you on this vital issue.

Sincerely,

American Association of Community Colleges
American Association of University Women
American Federation of State, County and Municipal Employees
American Society for Clinical Pathology
The Aspen Institute, Workforce Strategies Initiative
Association for Career and Technical Education
Association of Farmworker Opportunity Programs
Center for American Progress
Center for Law and Social Policy
Center for Partnership Studies
Center for Women Policy Studies

¹¹ <http://www.cbo.gov/ftpdocs/108xx/doc10871/01-26-Outlook.pdf>

Coalition of Labor Union Women
Community Action Partnership
Connecticut Permanent Commission on the Status of Women
Corporation for a Skilled Workforce
The Corps Network
Council for Adult and Experiential Learning
Council for Advancement of Adult Literacy
The Eisen Group: A Practice in Workforce Development
Harry Holzer, Professor of Public Policy, Georgetown University
Healthy Teen Network
Jobs for the Future
Legal Momentum
Local Initiatives Support Corporation
National Alliance for Partnerships in Equity
National Association of State Workforce Agencies
National Association of Workforce Boards
National Association of Workforce Development Professionals
National Coalition for the Homeless
National Council for Workforce Education
National Council of LaRaza
National Employment Law Project
National Network for Youth
National Workforce Association
National Youth Employment Coalition
National Fund for Workforce Solutions
National Skills Coalition
NETWORK, A National Catholic Social Justice Lobby
Proliteracy Worldwide
Public Justice Center
Sargent Shriver National Center on Poverty Law
United States Conference of Mayors
Wider Opportunities for Women
Workforce Learning Strategies
Workforce Strategy Center
Working Poor Families Project