



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

March 26, 2010

The Honorable Tom Harkin, Chair
Labor-HHS-Education Appropriations
Subcommittee
131 Hart Senate Office Building
Washington, DC 20510

The Honorable Thad Cochran, Ranking Member
Labor-HHS-Education Appropriations
Subcommittee
131 Hart Senate Office Building
Washington, DC 20510

The Honorable David Obey, Chair
Labor-HHS-Education Appropriations
Subcommittee
B-300 Rayburn House Office Building
Washington, DC 20510

The Honorable Todd Tiahrt, Ranking Member
Labor-HHS-Education Appropriations
Subcommittee
B-300 Rayburn House Office Building
Washington, DC 20510

Dear Chairmen Harkin and Obey and Ranking Members Cochran and Tiarht:

On behalf of National Skills Coalition – a national coalition of business, labor, community colleges, community-based organizations and public officials – I am writing to ask that you support adequate funding for key workforce development programs as part of the Fiscal Year (FY) 2011 Labor, Health and Human Services, Education, and Related Agencies appropriations bill. Workforce development is a critical component of our economic recovery efforts, helping to ensure that workers can get the skills they need to get and keep high-paying jobs, and ensuring that U.S. businesses can access the skilled workforce they need to grow and compete in the 21st century.

With more than 26 million Americans either unemployed or underemployed last month, we still face enormous challenges in getting this country back to work. Congress and the Obama administration have taken some important steps to stimulate job growth, including passage of the American Recovery and Reinvestment Act (“Recovery Act”) in February 2009, and the introduction of a series of “jobs bills” providing targeted investments and tax relief to support a range of key industries.

But simply *creating* jobs is not enough. Many of the jobs that will be created through federal job creation efforts will require some form of postsecondary education, but a recent report estimates that nearly 90 million Americans lack the basic skills or credentials to succeed in today’s labor market. And there is evidence that these “skills gaps” are already impacting economic recovery, as more than 60 percent of U.S. employers report difficulty finding qualified applicants for current job openings despite record unemployment.

Congress wisely provided more than \$4.5 billion for education and training programs under the Department of Labor as part of the Recovery Act, and we must build on these investments in order to sustain our economic recovery and job creation efforts. To that end, we urge you to support the following funding priorities:

- **Maintain formula funding for the Workforce Investment Act (WIA) at current Recovery Act levels.** The Recovery Act included a one-time investment of nearly \$3 billion in WIA formula funding for states, which was an important first step toward reversing a legacy of disinvestment that saw funding for key programs under the Department of Labor decline by nearly 30 percent (in constant dollars) between 2001-2008. However, this additional funding has barely been enough to keep up with the increased demand – the number of individuals seeking services under DOL-administered programs jumped by 42 percent in the twelve months preceding September 2009 – and the time-limited nature of the funding means that many states and localities will soon be forced to cut back on vital services. To ensure that the workforce system can continue to help job seekers, Congress should extend funding for WIA training and employment services in FY 2011 at the current combined levels authorized under the Recovery Act.

Additionally, Congress should fund Adult Basic Education (WIA Title II) to at least \$750 million and maintain the required state match, to ensure workers can obtain the basic skills needed to succeed in postsecondary education and training. Congress should also adopt the administration's proposals to establish new "Workforce Innovation Funds" at the Departments of Labor and Education, ensuring that grants under these funds are directed toward innovative service delivery strategies such as sector partnerships and programs that provide career pathways into high-growth industries for low- and moderate-income workers.

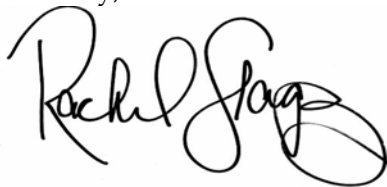
- **Fully fund the Industry and Sector Partnership Grant Program included in the Trade Adjustment Assistance (TAA) program reauthorization.** TAA reauthorization established two new grant programs at the Department of Labor to help trade-impacted communities prevent or limit layoffs or transition trade-dislocated workers into emerging or expanding industries. The Community College and Career Training Grant Program provides grants to community colleges and other institutions of higher education to develop and deliver industry-specific skills training programs for targeted workers, while the Industry and Sector Partnership program supports strategic collaborations between employers and other key stakeholders to plan and implement workforce strategies that respond to the immediate and long-term skill requirements of local industries. These grants were designed to work together, enabling hard-hit communities to combine best practices in workforce and economic development to more effectively respond to economic crises. Congress significantly expanded the community college grant program as part of the recent reconciliation bill, but did not provide funding for the companion sector partnership program. Congress should consider expanding and fully funding this program as part of the FY 2011 Labor-HHS

appropriations bill to allow eligible communities to leverage both programs to support the expansion or retention of key economic sectors.

- **Fully fund the College Access and Completion Fund, Business Workforce Partnerships, Bridges from Jobs to Careers, and Student Success Grants programs at the Department of Education.** Last summer, President Obama proposed his American Graduation Initiative, calling for an additional five million additional college graduates by the year 2020 to restore America's leadership in postsecondary attainment. As part of this vision, the President in his FY 2011 budget request proposed investing \$3.5 billion over seven years in a College Access and Completion Fund to promote innovative programs that improve student success, completion, and post-completion employment, particularly for disadvantaged and nontraditional students. While the reconciliation bill did include a significantly smaller investment of \$750 million over five years to support college access and completion, college enrollment is at record levels and this investment is insufficient to meet the growing need for retention and completion services that help ensure student success in postsecondary education. To supplement the investment made through the reconciliation legislation, Congress should fully fund key programs established under the Higher Education Opportunity Act that would enhance student completion efforts, including: \$40 million for the Pilot Program to Increase College Persistence and Success and the Student Success Grant Pilot Program; \$35 million for the Bridges from Jobs to Careers Grant Program; and \$35 million for the Business Workforce Partnerships for Job Skill Training in High Growth Occupation or Industries Grant Program.

Thank you for your consideration of these important issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Rachel Gragg". The signature is fluid and cursive, with a large loop at the end.

Rachel Gragg, Ph.D.
Federal Policy Director
National Skills Coalition