

February 11, 2009

The Honorable Max Baucus
Chairman, Finance Committee
U.S. Senate
Washington, DC 20510

The Honorable Charles Grassley
Ranking Member
Finance Committee
U.S. Senate
Washington, DC 20510

The Honorable Daniel Inouye
Chairman, Appropriations Committee
U.S. Senate
Washington, DC 20510

The Honorable Thad Cochran
Ranking Member,
Appropriations Committee
Washington, DC 20510

The Honorable Harry Reid
Majority Leader
U.S. Senate
Washington, DC 20510

Dear Senate Conferees:

The undersigned organizations—representing the labor, environmental, workforce development, and education communities—write to express our thanks for your commitment to workforce development and job training as part of the American Recovery and Reinvestment Act. It is vital that we invest in our nation’s greatest resource—our people—as part of any economic recovery plan, and the investments in job training included in the recovery legislation begin to ensure that our nation’s workers receive the services and supports they need to go back to work and begin rebuilding our economy.

Our nation is facing its greatest economic crisis since the Great Depression, having lost 3.6 million jobs since December 2007—with nearly half of this job loss occurring in the last three months alone—and the national unemployment rate rising to its highest level in sixteen years. The Obama Administration has therefore set an ambitious but necessary goal of creating or saving between three and four million jobs through investments in a broad range of industries and sectors, including health care, construction, and energy efficiency and renewable energy.

Most of these emerging job opportunities will be middle-skill jobs—requiring education and training beyond high school but less than a 4-year college degree—and even experienced incumbent workers within affected sectors will need to upgrade their skills to master new technologies and techniques. We are therefore heartened to see that both the House and Senate bills contain significant new funding that will begin to restore the damage done by years of disinvestment in our nation’s workforce delivery system while establishing new and needed capacity for training services to support emerging and high

demand industries. *We ask that you please consider the following recommendations for any final legislation to help realize the greatest return on these investments:*

Department of Labor

- *Retain* language under both bills that would provide an additional \$2.7 billion in formula funding for adult, dislocated worker, and youth programs under Title I of the Workforce Investment Act (WIA). This additional funding is an important first step towards restoring a national workforce system that has lost more than \$2 billion in funding since 2001, and will help workers locate employment opportunities and access individualized skills training while allowing states and localities to better serve individuals who have lost employment.
- *Retain* language in both bills establishing a competitive grant program under the U.S. Department of Labor to support worker training in high growth and emerging industries, particularly in energy efficiency and renewable energy and health care sectors. President Obama's economic advisors estimate that the single largest source of job creation will be energy, with infrastructure and health care following close behind—creating a total of nearly 1.1 million jobs. Competitive training grants focused on green jobs and health care jobs are necessary to facilitate the President's commitment to accelerate change in these sectors and provide career opportunities to both men and women, to distressed communities, and to targeted populations in need of special support. *Adopt* the House funding levels of \$750 million for this program, and the House bill's dedication of funding for green job training and prioritization of health care worker training. *Adopt* language in the Senate committee report that would prioritize awards to projects offering immediate strategies for communities to meet their skilled workforce needs in addition to long term approaches to develop targeted industry clusters.
- *Adopt* language in the Senate bill that would prioritize the use of WIA Adult funds for services for low-income and other hard-to-serve populations, including individuals who are long-term unemployed, low-skill, limited English proficiency, individuals with disabilities, and older workers with multiple employment barriers, and which emphasizes the availability of such funding for supportive services and needs-based payments. This language will ensure that federal funds are being used to serve a diversity of workers at all skill levels, including those individuals with the greatest need.
- *Adopt* the provision in the Senate bill allowing workforce investment boards to contract for training services with institutions of higher education, so long as customer choice is not limited. This flexibility will allow boards to allocate scarce resources more efficiently, ensuring speedier implementation of and greater access to effective training services and supports.
- *Adopt* both the House \$500 million funding level and the House language for the dislocated workers assistance national reserve for grants to entities that serve

areas of high unemployment or high poverty to provide employment and training assistance to workers affected by major economic dislocations. Grant applicants must demonstrate that income support, child care, and other supportive services necessary to participate in job training will be available to participants.

- *Adopt* the House funding proposal for the State Unemployment Insurance and Employment Service program at \$500 million. These funds will help ensure that jobseekers have access to critical labor exchange and job placement services at a time of uncertainty.

Department of Health and Human Services

- *Adopt* the House proposal that provides \$600 million to the Health Resources and Services Administration to train nurses, primary care physicians and dentists. This funding will allow much-needed healthcare professionals to access scholarships, loan repayment, and grants for training programs.

Department of Transportation

- *Adopt* the House provision that would provide \$20 million under Section 140(b) of the Highway Act to the Federal Highway Administration Office of Civil Rights to support programs that enhance training opportunities for members of minority groups and women. This funding would help historically underrepresented populations gain the skills they need to take advantage of emerging job opportunities created through infrastructure investments under this legislation.

Expanding Access to Higher Education

- *Retain* the provision under both bills that would establish a temporary American Opportunity tax credit. *Adopt* the language in the House bill that makes 40 percent of the credit refundable. *Modify* the language in both bills to allow all of the expenses that make up the total cost of attendance, as defined by the Higher Education Act, to count towards the credit. Without this modification, low income students that receive Pell Grants and attend low-cost institutions will be shut out of the credit.
- *Adopt* the House proposal to invest an additional \$15.6 billion in the federal Pell Grant program and increase the maximum Pell Grant award by \$500 for the next two years. This additional funding would expand access to higher education for an estimated seven million students who might otherwise have difficulty keeping up with the spiraling costs of a college education.
- *Adopt* the House proposal to include \$490 million for the Federal Work Study program which provides part-time jobs for financially disadvantaged college students, allowing them to earn money to help pay education expenses and immediately stimulating the economy.

Again, we applaud your commitment to job training and education as part of economic recovery efforts. Investing in a skilled workforce will help the federal government and the States realize a greater return on their investments, and ensure that all U.S. workers and businesses have the skills to rebuild the nation's economy and participate in an era of renewed prosperity.

Thank you for your consideration of these recommendations. We look forward to working with you on this important issue.

Sincerely,

American Association of Community Colleges (AACC)
American Federation of Teachers (AFT)
Apollo Alliance
Center for Law and Social Policy (CLASP)
Corporation for a Skilled Workforce (CSW)
Council for Adult and Experiential Learning (CAEL)
Council for Advancement of Adult Literacy (CAAL)
Green For All
International Association of Jewish Vocational Services (IAJVS)
International Association of Machinists and Aerospace Workers (IAMAW)
Jobs for the Future (JFF)
National Association of Workforce Boards (NAWB)
National Association of Workforce Development Professionals (NAWDP)
National Center on Education and the Economy (NCEE)
National Union of Hospital and Health Care Employees (NUHHCE)
PHI – Quality Care through Quality Jobs
Service Employees International Union (SEIU)
The Workforce Alliance (TWA)
Wider Opportunities for Women (WOW)
Women Work! The National Network for Women's Employment
Workforce Learning Strategies
Workforce Strategy Center