



July 22, 2013

The Honorable Tom Harkin
Chairman
Committee on Health, Labor, Education
and Pensions
United States Senate
Washington, DC 20510

The Honorable Lamar Alexander
Ranking Member
Committee on Health, Labor, Education
and Pensions
United States Senate
Washington, DC 20510

Dear Chairman Harkin and Ranking Member Alexander:

Business Leaders United for Workforce Partnerships (BLU)—a group of employers from a range of industries who are concerned about our nation’s skills gap, who are working with local partners to train and hire community residents for skilled jobs, and who want our country’s policymakers to invest aggressively and effectively in the skills of America’s workers—urges you to ensure that employers are more effectively engaged with our nation’s workforce development system as you consider reauthorizing the Workforce Investment Act (WIA).

As employers, we are frequently challenged to find workers with the right skills to fill open positions within our businesses. Nationally, though nearly 12 million people remain unemployed, 3.8 million current job openings are going unfilled because in many cases workers simply do not have the necessary skills employers like us are looking for.

We are aware that the Senate Health, Education, Labor, and Pensions (HELP) Committee is currently working on WIA reauthorization. We believe that employers have an important role to play in defining and addressing the skill needs of our nation’s workforce. Our nation must make greater and more effective public investments in workforce education tied to market-and employer-relevant outcomes. Such investments should be targeted to training programs that effectively engage employers and provide jobseekers with the skills and credentials we look for when we making hiring decisions.

Unfortunately, the current Senate WIA reauthorization bill (the “staff draft” in circulation) does not sufficiently address the problem at hand. As drafted, the bill does not adequately elevate what we have found to be the most powerful tool for employer engagement, sector partnerships. Sector partnerships are one of the most effective tools for aligning the skills of workers with the needs of business—bringing together employers and other stakeholders

connected to key local and regional industries to address both immediate skill shortages and long-term workforce pipelines to ensure the future of that industry.

Although the bill does include some sector partnerships language, it does not go far enough in our view. In particular, there are two important issues we want to highlight:

- First, the current staff draft does not provide the necessary support for the unique infrastructure we have found necessary to take sector partnerships to scale. Rather than continuing to simply make sector partnerships an allowable activity as the bill does now, we urge you to provide designated funding and to create specific outcome measures to reward states that more effectively engage employers through sector partnerships.
- Second, the current Senate draft mandates that when sector partnerships are created or expanded, they must be convened by Workforce Investment Boards (WIBs). While a number of excellent sector partnerships are currently convened by WIBs, there are many more that are convened by other intermediaries, including CBOs, community colleges, and employers ourselves. Employers and other key stakeholders should be able to decide at the local level which organizations should convene their sector partnerships.

To address our concerns, we urge you to include two critical pieces of workforce development legislation in the Senate WIA reauthorization bill: *The Strengthening Employment Clusters to Organize Regional Success (SECTORS) Act of 2013* and the *Community College to Career Fund Act*.

The SECTORS Act (S. 1226), introduced by Senators Brown (D-OH) and Collins (R-ME), would create new capacity to support sector partnerships and would create specific performance measures to recognize and reward states that are effectively engaging employers. Importantly, the SECTORS Act would also ensure that the training delivered in a state or local area results in the skills and credentials we look for when making hiring decisions. States receiving grants under the SECTORS Act would be required to carefully analyze which industries will drive growth in their local and regional economies, to understand both the skill levels of the existing workforce and the skill gaps that hamper their hire or promotion, and to develop industry-based strategies to create a skilled worker pipeline for employers. As employers working with sector partnerships in our local communities, we strongly support the SECTORS Act.

Similarly, the *Community College to Career Act* (S. 1269), introduced by Senator Franken (D-MN), would replace the existing Trade Adjustment Assistance Community College & Career Training (TAACCCT) grants that are set to expire at the end of 2014. Building upon the infrastructure created by the SECTORS Act, the fund would help support training activities that are relevant to employers, closing regional skills gaps by better linking community colleges to industry partnerships. We know from experience that community colleges, working with employers and other community stakeholders, can play a pivotal role in an integrated and effective workforce development system. We believe Sen. Franken's proposal would help community colleges and the workforce development system better meet this goal.

Each of us is working with a sector partnership in our local area because it is an effective tool that helps us better meet our skilled workforce needs, and we feel strongly that federal policy should better support this work. Sector strategies are an effective tool for employers and a critical part of a broad national skills strategy. In order to grow our businesses and compete in a global economy, we must be able to find workers with the appropriate skills to help drive growth. For these reasons, we believe that legislation to reauthorize WIA must include investments specifically targeted to programs that effectively engage employers to ensure the education and training provided is relevant to the needs of employers. The SECTORS Act and the Community College to Career Fund Act accomplish this goal and should be incorporated into the Senate WIA reauthorization bill.

If you have questions or would like to speak with us further on these issues, please contact [Rachel Gragg at 202-223-8991, ext. 102 or rachelg@nationalskillscoalition.org]. Thank you for your attention to this important matter, and we look forward to working with you in the future.

Sincerely,



Scott Ellsworth

Vice- President, U.S. Operations
Tipco Punch (Hamilton, OH)

On behalf of the BLU Steering Committee

Gayle Agahi, Director of Strategic Partnerships, Cleveland Clinic (Cleveland, OH)

Eric Ajax, Vice President, E.J. Ajax and Sons (Minneapolis, MN)

Mike Mandina, President, Optimax (Ontario, NY)

Liza Smitherman, Vice President of Professional Development, Jostin Construction (Cincinnati, OH)

Michael Tamasi, President & CEO, AccuRounds (Avon, MA)

Sylvia Wetzel, Chief Learning Officer, Bison Gear & Engineering (St. Charles, IL)

Cc:

HELP Committee Members

Cc:

Andy Van Kleunen, National Skills Coalition

Fred Dedrick, National Fund for Workforce Solutions

Maureen Conway, Skills for America's Future, Aspen Institute