



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

June 17, 2011

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

The Honorable Michael Enzi
Ranking Member
Committee on Health, Education, Labor,
and Pensions
United States Senate

The Honorable Patty Murray
Chairwoman
Subcommittee on Employment and
Workplace Safety
United States Senate

The Honorable Johnny Isakson
Ranking Member
Subcommittee on Employment and
Workplace Safety
United States Senate

Dear Chairman Harkin, Ranking Member Enzi, Chairwoman Murray, and Ranking Member Isakson:

On behalf of the business leaders, union affiliates, education and training providers, community-based organizations, and public workforce officials that comprise National Skills Coalition, I am pleased to offer the following comments and recommendations on the committee's discussion draft of the "Workforce Investment Act of 2011" (WIA).

National Skills Coalition believes it is critically important to move quickly and thoughtfully to reauthorize WIA. With nearly 16 million U.S. workers currently unemployed or underemployed, it is vital that Congress act to modernize the nation's workforce development system to ensure that individuals at all skill levels are able to obtain the training and education they need to get and keep jobs that lead to economic self-sufficiency, while also ensuring that employers in high-growth and emerging industries are able to find qualified workers to fill current and projected job openings.

We want to commend the committee and staff for their bipartisan efforts over the last two years to develop reauthorizing legislation that reflects the changing economic realities of the past thirteen years since WIA was passed, incorporates workforce development best practices developed during that ensuing period, and addresses concerns regarding the effectiveness and efficiency of the workforce system. While we may not agree with all of the policy choices in the discussion draft, we do believe that the bill presents an important first step in our national conversation about investing in the skills of the U.S. workforce. We look forward to working with the committee to strengthen key provisions of the bill before it is considered by the full Senate, and hopefully to advocate for the bill's final passage.

At the same time, we do wish to register our concerns regarding the public comment process the committee has adopted with respect to the discussion draft. While we recognize that the committee is seeking to move quickly toward bill mark-up—and further recognize the importance of swift action in the current fiscal and political climate—we do not believe that the committee has provided sufficient time for a fair and full evaluation of the draft bill, particularly by the diversity of state and local stakeholders that comprise our Coalition and who would be most deeply impacted by the proposed amendments. We are therefore limiting our preliminary comments to five key areas where we believe the committee’s vision for improved alignment and effectiveness could be enhanced. We strongly urge the committee to ensure that there will be adequate opportunity for additional comment as the bill advances.

National Skills Coalition recommends that the committee amend the current discussion draft to accomplish the following objectives:

Enhancing Employer Engagement through Industry or Sector Partnerships

In a recent speech on strategies to respond to our nation’s continued economic crisis, President Obama highlighted the importance of partnering with the private sector “to make sure that every worker has the necessary skills for the jobs they’re applying for.”¹ The workforce field has long recognized that engaging employers—not just as customers, but as true partners—is critical to the development and implementation of a public workforce system that fully addresses State, regional, and local labor market demands. Employer involvement is key to ensuring that training and related services are aligned with occupational requirements for both current and future job openings. It is also essential for maintaining the political will necessary to support continued investments in the skills of the U.S. workforce.

There are places in the draft bill (e.g., in the changed composition of state boards) where the role of employers may be seen as lessened within the newly proposed system. We are more concerned, though, about the lack of new proactive strategies to engage employers and local industries in the development of curricula, the identification of needed credentials, or the targeting of limited training resources. We specifically see this in the limited provisions under the draft bill for state and local workforce systems to invest in, develop, implement, and convene *industry or sector partnerships*.

As you know, sector partnerships have emerged over the last decade as one of the most effective strategies for addressing the skill requirements of businesses. They bring together multiple employers (including small and medium-sized employers) from a specific regional industry to collaborate with other stakeholders in the development of both immediate and long-term strategies that create skilled worker pipelines which enhance the industry’s competitiveness. These strategies have been adopted in virtually every state—in the form of

¹ <http://www.whitehouse.gov/the-press-office/2011/06/11/weekly-address-government-partnering-private-sector-train-workers-and-sp>

regional skills alliances, industry skill panels, and other models—reflecting the degree to which sector partnerships are recognized as a best practice in the workforce development field. Some innovative states have moved further to incorporate sectoral strategies on a systemic (rather than merely programmatic) level, transforming their workforce delivery systems to better engage industry sectors and ensure that jobseekers have access to training that will prepare them for in-demand occupations and careers in their communities.

Congress has also acknowledged the value of these strategies: in July 2010, the House of Representatives unanimously passed the Strengthening Employment Clusters to Organize Regional Success (SECTORS) Act, which would have amended WIA to establish a new grant program that would support the development and expansion of new and existing sector partnerships. Given the strong political support and the backing of the workforce development field for sector partnerships, we feel any reauthorization of WIA should provide significant support for these strategies.

We thank the committee for incorporating in its draft some elements of the SECTORS Act. However, we think the bill could be much stronger in its integration of sectoral approaches into the broader workforce development system. We appreciate that sector partnerships are listed as an allowable employment and training activity on both the state (p. 113) and local (p. 148) levels, but the current draft provides no additional capacity for states and local areas to implement these strategies or to take them to scale. As written, the bill does create space for states and localities that are already investing in sectoral efforts to continue to do so, but there are few incentives or resources that will drive other states or localities to initiate new sector partnerships, or to reward current practitioners for maintaining or expanding existing ones. There are also no assessments to determine if sector strategies are becoming more or less prevalent in the workforce system nationwide, or if those that are being adopted are meeting particular performance expectations. *We have attached language to address these concerns.*

Improving System and Program Alignment through Career Pathways Initiatives

National Skills Coalition strongly supports the committee's goals to improve alignment between core programs and other one-stop programs in order to better serve the needs of workers and businesses throughout the workforce system. With heightened concerns regarding potential overlaps and duplication among federal employment and training programs, and the need to maximize the efficiency and effectiveness of such programs in the face of current fiscal constraints, it is more important than ever that Congress work to eliminate administrative and other barriers between programs.

To this end, we are pleased that the committee draft has made "career pathways" strategies a central component of their overall vision for system alignment, requiring (among other things) that state boards develop guidance on the development of career pathways (Title I, p. 37), that state plans describe how entities carrying out programs under the law will develop and implement career pathways (Title I, p. 48), and that local boards lead efforts to develop and

implement career pathways within local areas (Title I, p. 97). At the same time, we are concerned that the current definition of the term under Title I does not accurately reflect the way the term is understood in the workforce development field, and may even be somewhat inconsistent with the way the concept is utilized throughout the bill.

At their core, career pathways initiatives are strategies that align adult education, job training, and postsecondary education programs specifically to address the needs of young people, working adults, low-skilled workers, and other individuals with barriers to employment. Career pathways initiatives are generally characterized by efforts *at the system level* to align entrance requirements and curricula between and among workforce programs. They provide multiple exit and entry points for workers at various skill levels and stages of career development, and they offer a full range of services—including remedial education and supportive services—to ensure that jobseekers are able transition between programs while obtaining needed skills and credentials to advance within occupations or occupational clusters. We note that the description of career pathways development on p. 97 of Title I appears to reflect this concept of cross-program systems alignment, but the current definition under sec. 101 seems narrower, focused on the program level rather than the system level. *We have attached language to address this concern.*

We are also concerned that the current adult performance indicators under Title I will have the unintended consequence of undermining the effectiveness of career pathways strategies for low-skilled adults. Many participants enter the workforce system with limited basic skills or educational attainment. Well-designed career pathways strategies address these needs through interventions like integrated education and training models, which enable individuals to obtain both basic and occupational skills as quickly as possible. However, even the best programs often take months and even years to successfully complete, and the proposed performance indicators seem to maintain the current law’s emphasis on shorter-term employment or credential attainment outcomes. This may lead training providers and one-stop operators to divert individuals away from training if they are unlikely to meet performance objectives within the prescribed timeframe. *We have attached language to address this concern.*

Increasing Credential Attainment and Measurement to Ensure System Effectiveness

The Obama administration has made increased attainment of industry-recognized postsecondary credentials a centerpiece of our nation’s competitiveness strategy. The President has called for the United States to once again become the global leader in attainment of postsecondary degrees, certificates, and other credentials by the year 2020,² and the Department of Labor has similarly set goals to increase credential attainment through the nation’s workforce system by ten percent by the year 2012.³ National Skills Coalition has long advocated for increased focus on credential attainment as a key measure of whether the workforce system is

² <http://www.whitehouse.gov/issues/education>

³ <http://wdr.doleta.gov/directives/attach/TEGL15-10acc.pdf>

responding well to the demands of local and regional labor markets, and we commend the committee for reaffirming the importance of credentials by including as a primary performance indicator a measure of the percentage of participants obtaining a recognized postsecondary credential, or a secondary school diploma or recognized equivalent, during program participation or within one year of program exit (sec. 131(b)(2)(A)(i)(IV)). Particularly given the omission of a credential indicator from the current “common measures” system, we believe this sends an important signal about the importance of enrolling participants in training programs that award such credentials. We also hope it will encourage enrollment in longer-term training.

At the same time, we believe that measurement of credentials could be strengthened in several ways. First, while we agree that it is important to understand how many participants are earning credentials through the workforce system, that information in itself will be insufficient for federal, state, and local policymakers to identify the types of credentials being earned, and to determine whether those credentials are being used by local employers to make hiring decisions. In fact, as currently written, the credential attainment indicator would be of marginal use in determining whether the system had achieved the Department of Labor’s 2012 credential goals, or if it had contributed to the President’s broader vision for postsecondary attainment.

To address this, we propose that the committee include requirements that state boards track the total number and types of recognized postsecondary credentials that are earned across all core programs, and periodically report to the public regarding which of those credentials are being used or recognized by regional industries. We encourage the committee to further require that states include listings of available credentials offered by eligible providers of training in their state eligible training provider lists. *We have attached language to address these concerns.*

We also believe that the current definition of “recognized postsecondary credential” should be expanded to ensure that the fullest possible range of programs and industry-recognized credentials is captured. For example, the definition appears to omit postsecondary certificates and diplomas, which could have the unintended consequence of limiting access to these important programs at community colleges and other institutions. We further recommend that the committee clarify that postsecondary credentials developed locally by an industry’s employers, in collaboration with local training providers, are recognized under the definition. *We have attached language to address these concerns.*

Establishing System-Wide Measures

While the draft puts great and welcomed emphasis on program and systems alignment, it surprisingly lacks specific measures whereby we can assess how effective state and local workforce systems are at achieving such alignment. Under section 131(j), the draft bill does include a requirement that the Secretaries of Education and Labor work with no more than five states to develop a set of “system-wide measures” beyond the current performance indicators, which would be used to evaluate the effectiveness of the workforce development system. The bill indicates that such measures could include: measures of co-enrollment or referral between

programs, which would be useful in measuring the degree of alignment achieved at the state and local level; metrics on employer usage of the system, which would help in evaluating the degree to which the system was effectively responding to the needs local and regional businesses and industries; and data relating to participant access to training, which would assist in evaluations of how well state and local providers are responding to the needs of workers, particularly low-skilled workers and individuals with other barriers to employment.

National Skills Coalition strongly supports the concept of system-wide performance measures, but we believe the bill does not go far enough in this direction. Rather than simply piloting such measures and providing recommendations to Congress, we would recommend that the bill require these measures to be incorporated into the unified or combined state plans, with measurable benchmarks, after the plans' initial two-year transition period. By adopting these measures, the committee and relevant federal agencies can more readily and accurately assess the impact of the reauthorized WIA on overall system effectiveness and alignment. *We have attached language to address these concerns.*

Targeting the New Workforce Innovation and Replication Grants to Support Proven Strategies

The Fiscal Year (FY) 2011 continuing resolution (P.L. 112-10) established a new Workforce Innovation Fund at the U.S. Department of Labor, providing \$125 million to support "projects that demonstrate innovative strategies or replicate effective evidence-based strategies that align and strengthen the workforce investment system in order to improve program delivery and education and employment outcomes for program beneficiaries." The committee draft would build upon this initial investment by codifying a new Workforce Innovation and Replication grant program under sec. 142, and a new Youth Innovation and Replication grant program under sec. 144.

National Skills Coalition shares the committee's interest in supporting the continued development of promising new strategies that enhance service delivery through the workforce system. We are pleased to see that the proposed youth grants would be used to support a range of specific, evidence-based strategies such as career pathways initiatives and contextualized learning models. However, we are concerned that the draft bill provides comparatively little guidance on priority strategies for the adult- and dislocated worker-focused Workforce Innovation and Replication grants. Given the substantial reductions in federal funding for workforce development programs in recent years, and the urgent skill needs facing U.S. workers and businesses as we continue our nation's economic recovery efforts, we believe it is critical that these funds be carefully targeted to support the replication or expansion of proven strategies already underway at the state, regional, and local levels.

Specifically, we would recommend that the bill be amended to provide that eligible entities receiving grants under section 142 must use those funds to support industry or sector partnerships, career pathways initiatives, and/or cross-agency credential attainment and

measurement strategies. We further propose that priority be given to eligible entities that: (1) provide evidence of past or current investments in workforce innovation projects that incorporate one or more of the priority strategies; (2) focus on addressing the skill needs of multiple employers, including small- and medium sized businesses; or (3) target services to low-income individuals, low-skill individuals, and other populations with barriers to employment. To the extent that any of the three workforce strategies identified are designated as required state or local employment and training activities, we encourage the committee to prioritize funding to support such efforts. *We have attached language addressing these concerns.*

Again, we commend the committee for its efforts to produce a bipartisan bill that better aligns workforce and education programs and systems to respond to the skill needs of U.S. workers and businesses. We look forward to working with the committee and Congress to quickly reauthorize this critically important legislation to ensure that U.S. workers and businesses have the skills they need to compete in the 21st-century economy.

Thank you for the invitation to offer these comments.

Sincerely,



Andy Van Kleunen
Executive Director



Rachel Gragg, Ph.D.
Federal Policy Director