March 20, 2013

Dear Representative:

National Skills Coalition—a broad-based coalition of business leaders, union affiliates, education and training providers, community-based organizations, and public workforce agencies advocating for policies that invest in the skills of U.S. workers—strongly opposes the Fiscal Year (FY) 2014 budget proposal passed by the House Budget Committee last week. We urge you to reject this proposal and instead adopt a budget resolution that includes a balanced approach to deficit reduction that makes no further cuts to discretionary programs.

Efforts to reduce the federal deficit have so far been unbalanced, with discretionary programs absorbing disproportionately deep spending cuts. Discretionary programs have contributed $1.5 trillion in spending cuts from the bipartisan American Taxpayer Relief Act (ATRA), the Budget Control Act (BCA), the FY 2011 Continuing Resolution and the FY 2012 Consolidated Appropriations Act, while revenues have contributed just $600 billion.

The committee-passed budget resolution would make these cuts much worse, reducing federal investments in non-defense discretionary (NDD) programs by $1.1 trillion below the current BCA spending caps over the next 10 years. The budget resolution fails to replace the current NDD sequester—although it would replace the defense sequester—and instead would cut NDD programs by an additional $700 billion below post-sequester levels.

The committee-passed budget resolution doesn’t specify which programs the $1.1 trillion cut in NDD funding would come from. However, based on previous budget resolutions and language included in committee Chairman Paul Ryan’s (R-WI) “Path to Prosperity” it seems clear that federal employment and training programs would face additional, deep cuts under this budget resolution. We are particularly concerned that the Chairman seems to justify these funding cuts by referring to the SKILLS Act (H.R. 803), the Workforce Investment Act (WIA) reauthorization legislation recently passed by the House. Unfortunately, it seems that the consolidation of 35 employment and training programs proposed under the SKILLS Act is less about improving the federal workforce development system, but instead is simply being used as an excuse to continue to disinvest in a skilled workforce.

Federal employment and training programs simply cannot absorb any additional funding cuts. Despite federal disinvestments of more than 40 percent since 2001—with more than $1 billion in cuts just since 2010—workforce development programs already face additional cuts under the current sequester of more than $5.5 billion over the next decade, which means that 24 million
fewer people will have access to critical employment and training services. There is simply nothing left to cut from these programs: A recent survey of workforce providers found that more than three quarters expected to reduce training as a result of already reduced funding levels, and nearly half believed they would have to cut back on services for employers seeking skilled workers. Any additional cuts, such as those proposed under the committee-passed budget resolution, will devastate these programs.

The committee-passed budget resolution would also put postsecondary education out of reach for millions of low-income individuals by slashing funding for the Pell grant program. The plan would cut Pell benefits and eligibility, freeze the maximum grant at $5,645 annually, and eliminate nearly $100 billion in mandatory funding for Pell. The budget resolution would make it particularly difficult for working adults and other non-traditional students to afford postsecondary education, because the proposal would eliminate eligibility for less-than-half-time students, reduce the income protection allowance, and lower the income thresholds for zero expected family contribution.

While we recognize the challenging fiscal climate facing lawmakers, the committee-passed budget resolution would move our nation in the wrong direction. NDD programs—including federal employment and training programs—have already absorbed extremely deep funding cuts. Policymakers must stop targeting these programs for cuts, and instead must adopt a balanced approach to deficit reduction.

If you have questions about this letter, please feel free to contact me at rachelg@nationalskillscoalition.org or 202-223-8991, ext. 102.

We appreciate your consideration of these important issues.

Sincerely,

Rachel Gragg, Ph.D.
Federal Policy Director