



**Campaign to Invest in America's Workforce  
Testimony Submitted to the Senate Subcommittee on Labor, HHS, and Education, and  
Related Agencies on Funding For Federal Education and Training Programs at Labor,  
Education, and HHS**

The Campaign to Invest in America's Workforce is a coalition of national organizations whose members help people of all ages and conditions raise their skills, and enable U.S. businesses that need skilled workers to compete in today's rapidly restructuring economy. We appreciate the opportunity to submit testimony about the funding of education and workforce programs administered by the Departments of Education, Labor, and Health and Human Services in FY 2018.

Middle skill jobs—those requiring more than a high school diploma, but not a four-year degree—make up 53 percent of today's labor market, but only 43 percent of U.S. workers are trained at this level. Further, by 2020, 65 percent of all jobs will require some level of postsecondary education. This skills gap leaves businesses struggling to find workers with appropriate skills, and it leaves workers without meaningful pathways to better-paying jobs.

Lawmakers understand the importance of investing in skills to achieve broadly shared economic growth and prosperity. Congress acknowledged the need to address this issue and to reform our nation's workforce development strategy when it passed Workforce Innovation and Opportunity Act (WIOA) by wide bipartisan majorities. WIOA contains significant changes that will help better match employers with skilled employees, fewer and better-aligned performance metrics (including a measure of effectiveness in serving employers), a simpler structure for workforce development boards, and integration of best practices such as industry partnerships and career pathways.

Federal investments under WIOA, the Carl D. Perkins Career and Technical Education Act (Perkins Act), the Higher Education Act, and other key programs provide unprecedented potential to develop America's workers through access to effective workforce education and training. For this potential to be realized, however, sustained funding is required.

The administration's budget proposes significant funding cuts across a range of federal programs, which would come on top of historic disinvestments in critical workforce and education programs and the already low caps on non-defense discretionary spending under the 2011 Budget Control Act. For example, funding for state workforce grants, which WIOA reformed to be more responsive to industry needs, have been cut by 38 percent since 2001. Since 2001, the number of students served by Adult Education has fallen from more than 2.7 million to 1.5 million, a decline of 44 percent. Funding, when adjusted for inflation, has fallen by 25.3 percent. Despite strong bipartisan support, career and technical education (CTE) programs that prepare workers for the jobs of tomorrow have been cut by 32 percent since 2001. AmeriCorps is authorized to provide opportunity for 250,000 youth and veterans to serve their country and gain in-demand skills but is only meets the needs of 80,000 participants.

We simply cannot compete in an increasingly global economy if we keep cutting and eliminating effective programs while our competitors increase their investments in education and training.

**WIOA Title I.** The President's FY 2018 budget proposes cutting state formula grants under Title I of WIOA by approximately 40 percent, substantially undercutting investments that annually help connect nearly 7,000,000 million adults and dislocated workers to employment and training opportunities in their local labor markets. The proposed cuts come would leave states and other partners without the critical resources necessary to advance the critical system improvements envisioned under WIOA.

President Trump's budget proposes to reduce funding under WIOA for youth services by 39 percent, effectively eliminating services, especially in rural areas, that help young people reenter education or obtain employment. Each year nearly 200,000 young people, most of whom are out of school and out of work, receive services through local programs that receive WIOA Youth funding. Of the 95,000 out-of-school youth who were served in Fiscal Year 2014, 71.5 percent of program exiters entered employment after leaving the program and 69.2 percent of program exiters attained credentials of some kind, at a cost of about \$3,400/youth.

**Adult Education, WIOA Title II.** Adult education is cost-effective. Federal support for adult education leverages a significant investment by states. In FY 2013, each federal dollar invested in AEFLA generated \$2.49 in non-Federal matching funds. The Federal cost per participant in FY 2012, the most recent year for which we have data, was \$298. The annual Federal cost for each adult education student who advanced at least one educational level or who earned a high school diploma or its equivalent was \$589.

According to PIAAC (OECD's Program of International Assessment of Adult Competencies), Americans lag behind the international average for basic skills in literacy and numeracy and "problem-solving in technology-rich environments." Data from the Longitudinal Study of Adult Learning (LSAL), which recorded the educational and workforce experiences of a random sample of high school dropouts between 1998 and 2007, show that sustained participation in adult education increases the earnings of students. Using propensity score matching to control for observed differences between individuals who enrolled in adult education and those who did not, one study found that participating in adult education for 100 or more hours netted students an average income increase of \$6,635 (in 2007 dollars). A person with a high school diploma, or equivalent, earns an average of \$9,620 more per year than a non-graduate.

**Title III Wagner-Peyser Employment Service Programs** served more than 13 million US workers and jobseekers – the equivalent of one of every twelve individuals in the labor force - during the most recent twelve month period for which we have data, providing critical job search, placement, and reemployment assistance that help connect skilled workers with local businesses. The President's budget calls for cutting funding for the program by approximately 40 percent, which will dramatically reduce the availability of these core services in communities across the country.

**Apprenticeship.** Despite the administration's rhetorical support for expanding apprenticeship, the proposed budget would actually scale back these efforts, cutting federal investments by more than \$5 million relative to FY 2017 levels and undermining the strong Congressional support for these valuable "earn-and-learn" models. While these cuts are less dramatic than those proposed for other federal workforce and education programs, they send a clear signal about the administration's commitments to the kinds of job creation and training strategies that business leaders are seeking. We urge the subcommittee to reject these proposals and instead focus on strengthening these investments to develop and implement proven workforce models that will sustain US competitiveness in the years ahead.

**Perkins CTE.** The Perkins Act supports our nation's high schools, technical centers and community colleges to provide the education necessary to develop a highly skilled workforce. Nationally, over 11

million students benefit from career technical education (CTE) and we know it's working: 93 percent of CTE concentrators graduate high school, approximately 10 percentage points higher than the national average. Not only do CTE students graduate high school, they're landing in college or a career at high rates – in Missouri, for example, 94 percent of CTE high school graduates placed into college or a career in 2013-2014. Furthermore, postsecondary CTE students are obtaining the knowledge and skills they need to succeed – for example, in Washington, 100 percent of postsecondary CTE students earned a credential, certificate or degree in 2013-2014. These are just a few examples of CTE's impact, but these outcomes cannot be achieved without an adequate federal investment in Perkins to ensure that students and jobseekers can access high-quality education and training that results in market-ready skills and credentials, and to support employers' engagement in aligning training with their skill requirements. We request that Congress reverse prior cuts to Perkins and fund Perkins Basic State Grants at a level at least equal to FY 2010 levels, or approximately \$1.3 billion.

**Pell Grants.** The Pell Grant program remains an essential source of aid for millions of students seeking postsecondary training. Without the Pell Grant program, many of the more than 7 million individuals who receive these grants annually would find education completely out of financial reach. Yet the President's Budget proposes to rescind \$3.9 billion from the Pell Grant reserves. We urge the committee to reject this rescission and maintain the current Pell Grant discretionary baseline funding of \$22.5 billion to preserve fiscal stability for the program. Additionally, Congress should consider ways to reinvest current Pell Grant surplus funds into strengthening and modernizing the Pell Grant program, such as expanding access to Pell funds for students enrolled in short term training programs leading to industry-recognized credentials and employment in local in-demand industries.

**Corporation for National Service (CNCS).** CNCS promotes public-private partnerships with local organizations and governors, particularly through the AmeriCorps program to address critical community needs by engaging disconnected youth and veterans in high-quality, locally-driven, work-based service programs. Through those programs, students and veterans gain certifications and credentials and further education; receive education awards that can be used for training or school; and complete priority projects that are important to the community and states where they serve. Projects include disaster response, wildfire remediation, invasive species removal, infrastructure repair and development, education, construction, and community/economic development. We urge your support for funding CNCS, including the Social Innovation Fund, which was eliminated in FY17.

**Senior Community Service Employment Program (SCSEP).** SCSEP is the only federal employment program targeted at helping older Americans -- unemployed veterans, individuals with disabilities, and other eligible jobseekers with significant barriers to employment -- find jobs. Through the program, low-income jobseekers 55 years old or older train and earn minimum wage for 15-20 hours a week through community work experiences at local non-profits and government agencies such as libraries and senior centers. Through the on-the-job training, SCSEP participants learn skills, develop new work experiences, and gain confidence to reenter the changing workforce. Annual funding allows employment providers to assist about 67,000 older workers from nearly all 3,000 U.S. counties and territories. Of the thousands of older workers who secure unsubsidized employment because of SCSEP, more than 70 percent remained employed one year after exiting the program. We urge the subcommittee to fund SCSEP at the OAA authorized level in FY 2018.

**Community Services Block Grant (CSBG).** It is essential to maintain or increase funding for the Community Services Block Grant (CSBG), which President Trump's Fiscal Year 2018 budget proposes to eliminate. The community action agencies (CAAs) funded by CSBG leverage enormous non-federal

resources: for each federal dollar, CAA's leverage \$7.70, including \$2.34 of private resources, according to Community Action Partnership. Each year CSBG reaches 15.6 million Americans with services that are often what keeps families from choosing between food on the table and heat in the house. In this way CSBG reduces poverty, revitalizes low-income communities, and empowers low-income families and individuals on the road back to self-sufficiency.

**Homeless Veterans' Reintegration Program (HVRP).** Despite the significant decrease in veterans' homelessness since 2010, nearly 40,000 veterans remain homeless, including 13,000 who are living on the streets. Employment is critical to the prevention of and successful transition out of homelessness. Congress created HVRP to address the employment barriers and training needs of homeless veterans. DOL partners with community-based organizations on HVRP to provide and coordinate skills training, job placement and support services to help at-risk veterans reintegrate into the labor force and secure stable housing. About 17,000 veterans benefit annually from HVRP services HVRP exceeded its placement rate, placing 68.7 percent of all HVRP participants, including a 64 percent placement rate for female veterans (the fastest growing segment of our country's homeless population). An additional 5,000 homeless veterans could be served if Congress funded HVRP at its authorized level.

## **Conclusion**

We must invest in education and workforce programs because the economy of the future requires it. Urban and rural areas both need trained employees. As of 2016, there were 476 counties in the US in which 20 percent or more of the working age population lacked a high school diploma or equivalent. Eighty percent are located in non-metro areas.

We cannot depend on a robust economy alone to solve this problem. A stronger economy will bring people back into the workforce but it won't train them. Investments in America's workers' skills and education are critical to businesses, workers, and the economy. We are mindful of the constraints under which the Subcommittee must operate. Nevertheless, we urge you to invest in the future and fund these programs at least at their authorized level.

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