



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

June 2, 2014

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

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

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

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

The Honorable John Kline
Chairman
Committee on Education and the
Workforce
US House of Representatives

The Honorable George Miller
Ranking Member
Committee on Education and the
Workforce
US House of Representatives

The Honorable Virginia Foxx
Chairwoman
Subcommittee on Higher Education and
Workforce Training
US House of Representatives

The Honorable Ruben Hinojosa
Ranking Member
Subcommittee on Higher Education and
Workforce Training
US House of Representatives

Dear Chairman Harkin, Ranking Member Alexander, Senator Murray, Ranking Member Isakson, Chairman Kline, Ranking Member Miller, Chairwoman Foxx, and Ranking Member Hinojosa:

On behalf of National Skills Coalition (NSC)—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—I write to thank you for your leadership in introducing the “Workforce Innovation and Opportunity Act” (WIOA). We want to commend the committee and staff for their bipartisan efforts to develop legislation that reflects the changing economic realities of the past sixteen years since the Workforce Investment Act (WIA) was passed. National Skills Coalition believes this legislation

is a positive step toward modernizing the nation's workforce system and ensuring that all U.S. workers and businesses have access to the skills they need to succeed in today's economy.

Last authorized in 1998, WIA has failed to keep pace with the workforce needs of U.S. workers and businesses. The law's emphasis on short-term training and rapid response activities has become increasingly inconsistent with growing demands for longer-term training aligned to high-growth and emerging industries. The outdated law has also made workforce programs vulnerable to funding cuts – funding for workforce programs has declined by 30 percent since 2001, and has been cut by more than \$1 billion since just 2010. We hope for a reversal of this trend following passage of WIOA.

While we would have liked for the bill to go further in lifting up innovative practices developed in the field since WIA was last authorized, we recognize that this bipartisan agreement represents an important step forward for workforce education and training programs. In particular, we were pleased to see a number of important changes made from current law, including:

- **Strengthened and simplified performance measures:** WIOA does away with the complex set of performance measures under WIA, and moves to a single set of common measures for adults across all core programs, including both occupational training and adult education programs, and creates a similar set of common measures across all youth programs. Importantly, the common measures include credential measurement and assessments of measureable skills gains toward a credential or employment, as well as a measure of employer engagement;
- **Better alignment across programs:** WIOA requires a single unified state plan covering all core programs, and allows states to submit combined plans that report on programs outside of the core programs, creating more alignment across programs at the state level;
- **Required convening of sector partnerships:** WIOA requires local workforce development boards to “convene, use, or implement” sector partnerships;
- **Promotion of best practices:** The bill signals to states and local areas an interest in seeing a number of existing best practices adopted or expanded, including: career pathways (including integrated or contextualized ABE, ESL, and occupational training); industry or sector partnerships; and an increased focus on the attainment of industry-recognized certificates and credentials linked to in-demand occupations;
- **Annual increases in appropriations:** Notably, WIOA provides for annual increases in funding for key workforce programs, an important signal to the Appropriations Committee, which faces extremely difficult funding decisions for the foreseeable future;
- **Restoration of the governor's reserve:** The 15 percent governor's reserve is often used at the state level to test and implement innovative workforce strategies, including industry or sector partnerships;
- **Clarification of “sequence of services”:** WIOA codifies 2009 Department of Labor guidance clarifying that training services and other could be offered concurrently, sequentially, or in any order that satisfies the need of the participant;

- **6-year authorization term:** Given that WIA took 16 years to be reauthorized, we believe a longer authorization period will give Congress much needed additional time to craft new authorizing legislation;
- **Strengthened data and accountability measures:** In addition to the new performance measures, the bill also addresses data and accountability by requiring public performance reports, requiring performance measures for all programs to be calculated using Unemployment Insurance (UI) wage records, adding requirements for ongoing evaluations of workforce programs, and establishing a new Workforce Information Advisory Council to evaluate and improve the nationwide and statewide workforce and labor market information systems;
- **Better support for integrated adult education services:** WIOA signals to states and providers that adult education should be connected to postsecondary education and workforce, by including adult education as a core program, and clarifying that integrated programming and co-enrollment in adult education and occupational training is permissible under the law.

While we appreciate these provisions in WIOA, we believe there are areas for improvement within the bill. In particular, the loss of the WIA incentive grants and the Workforce Innovation Fund (WIF), which allowed states to experiment with new workforce interventions, will make funding innovation a greater challenge for states. We would also note that while the increases in authorized funding levels are helpful, Congress will be unable to meet these funding targets as long as the caps on discretionary appropriations remain in place. Increased investments are needed to ensure that states and local areas have access to adequate resources to implement reforms and to provide much-needed services to workers and employers. We urge Congress to provide the resources needed to make these states and local areas successful in their efforts.

Again, we commend the committees' for their 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 you 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.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rachel Gragg', with a stylized flourish at the end.

Rachel Gragg, Ph.D.
Federal Policy Director