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House Labor, HHS, Education Appropriations Subcommittee

Fiscal Year 2023 Public Witness Day

Testimony Provided by: Bob Lanter, Executive Director, California Workforce Association

Introduction

Good morning Chairwoman DeLauro, Ranking Member Cole, and members of the Labor, HHS, Education Appropriations Subcommittee. My name is Bob Lanter and I serve as the Executive Director of the California Workforce Association (CWA). CWA is a statewide, non-profit representing the 45 local workforce boards and other workforce development, education and community-based organization stakeholders. We also work closely with a network of other state associations committed to increasing federal workforce development investments to boost worker training, skill development, employee retention, and economic competitiveness.

My testimony today will focus on the Workforce Innovation and Opportunity Act (WIOA) Title I programs at the Department of Labor – Adult, Youth, and Dislocated Worker Employment and Training Activities. The FY2023 Budget Request would increase funding for the Adult, Youth, and Dislocated Worker programs to the FY2020 WIOA authorized levels. WIOA Title I should be funded **AT LEAST** to the amounts below:

Adult Employment and Training Activities – \$899,987,000

Youth Activities - \$963,837,000

Dislocated Worker Employment and Training Activities - \$1,682,664,000 (includes \$527,386,000 in Dislocated Worker National Reserve)

While we support this proposed increase, we know more is desperately needed to respond to the ongoing impacts of COVID-19 on our economy. The House recently passed a WIOA 2022 Reauthorization package that includes historic investments for these programs, beginning in FY2023, and we strongly support those funding levels moving forward.

The federal funding approved through this subcommittee is the primary source that supports a national network of local workforce development boards, led by the private sector, and American Jobs Centers throughout each of your respective districts. These centers, and their staff, serve as a critical local resource for job seekers, businesses, training providers, and other agencies to address the economic needs of their communities.

Funding Needs

We thank the leaders and members of this subcommittee for your efforts during the Fiscal Year (FY) 2022 Appropriations process which provided marginal increases – about 1% - for WIOA Title I programs when compared to FY2021 levels. Unfortunately, this level of federal investment does not address our current or future national workforce needs. In California during the 2021 Program Year, our Adult and Youth formula allocations were cut by nearly 7% each.¹ Twenty other states also experienced cuts to their Adult Activities program funding allocation. This funding cut, during the height of the COVID-19 pandemic, reduced capacity and services for individuals looking to re-enter the workforce as well as businesses desperate to hire skilled workers. The labor market remains very fluid with record job openings and separations.² In fact, regional labor markets in California and across the Country are unlike anything we have ever seen, and innovative talent pipeline development strategies are needed if we are to support business and provide opportunities to job seekers, particularly to those that are working to achieve economic self-sufficiency. WIOA Title I programs equip local stakeholders with the tools to navigate these challenges but the combination of these factors with COVID-19 and inflation require additional federal funding.

Since its overwhelmingly bipartisan passage in 2014, Congress has failed to fund WIOA to its authorized levels which has limited its potential in reaching historically underserved populations and our most vulnerable citizens.

Benefits to Increased Federal Funding

One of the advantages of the federal workforce system, as funded and designed in WIOA, is the ability to leverage and engage broader stakeholders such as education and training providers, business, labor management partnerships, and economic development organizations. Through these networks, Federal funds, invested locally through workforce boards can be intentionally directed to communities where businesses and individuals need them most. Increased direct funding through WIOA Title I allows for these existing partnerships to expand and address the significant workforce challenges we face in key industries across the country like advanced manufacturing, health care, and child care, among others. Registered Apprenticeships are a valuable tool for the workforce system and there is a nationwide effort to expand into more non-traditional industries like health care, advanced manufacturing and hospitality.

Unfortunately, the impacts of COVID-19 hit the most vulnerable populations earlier and longer. These effects continue to create significant barriers to employment for minorities, women, disabled individuals, out-of-school youth, ex-offenders, and others.³ Affordable access to childcare, transportation, food, and housing often prevent these individuals from enrolling in

¹ <https://www.dol.gov/sites/dolgov/files/ETA/budget/pdfs/21adu%24.pdf>

² <https://www.bls.gov/news.release/jolts.nr0.htm>

³ <https://crsreports.congress.gov/product/pdf/R/R46554>

education and training programs or even getting/keeping a job. Support or wraparound services are a critical component for completion in training programs and keeping people employed. Additional resources will expedite barrier removal.

Work experience is a key factor for employers as they consider candidates. A major impact of the COVID-19 pandemic was the reduction and absence of work opportunities, especially during the summer, for young people. The workforce system works with employers to provide year-round employment, with a focus on out-of-school and opportunity youth. Given the lack of openings in recent years, we are concerned about further disconnection within youth groups in the workforce. Additional federal funding is necessary to confront this challenge.

Career pathways are developed in partnership with business, labor organizations and education providers to incorporate in-demand skills into program delivery. Collaborations like this lead to better outcomes in job placement, wage gain and skill development. In California, the High Road Training Partnerships (HRTTP) initiative is designed to model sector-based strategies from around the state, ranging from transportation to health care to hospitality. The HRTTP model exemplifies a focus on industry partnerships that deliver equity, sustainability, and job quality. Essential elements include industry led problem solving, partnership with business as a priority, worker voice and training solutions.

Earlier this Congress, the bipartisan Infrastructure Investment and Jobs Act (IIJA) was enacted as a landmark achievement to significantly increase spending on traditional projects like roads and bridges but also include broadband expansion and renewable energy sectors. Local workforce boards in California and across the country are leading efforts to identify, train, re-train, and connect workers with these opportunities. The WIOA Title I programs must be funded beyond current levels to help reach the potential needed in constructing and advancing these infrastructure projects by connecting them to our communities' vulnerable neighborhoods.

Conclusion

In closing, increased federal investments in WIOA Title I programs will facilitate thousands of successful workforce and economic development examples like those referenced earlier. Providing resources that are desperately needed by workforce stakeholders will lead individuals from unemployment and low wage jobs to education and careers, allowing them to become economically self-sufficient and contribute to the future of America.