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NEW INNOVATIONS AND BEST PRACTICES UNDER THE WORKFORCE INVESTMENT ACT

**Thursday, February 12, 2009
U.S. House of Representatives
Subcommittee on Higher Education,
Lifelong Learning, and Competitiveness
Committee on Education and Labor
Washington, DC**

The subcommittee met, pursuant to call, at 2:36 p.m., in Room 2175, Rayburn House Office Building, Hon. Ruben Hinojosa [chairman of the subcommittee] presiding.

Present: Representatives Hinojosa, Bishop, Courtney, Tonko, Titus, Andrews, Tierney, Wu, Davis, Hirono, Polis, Guthrie, McKeon, Castle, Biggert, and Roe.

Staff Present: Paulette Acevedo, Legislative Fellow, Education; Tylease Alli, Hearing Clerk; Adrienne Dunbar, Education Policy Advisor; David Hartzler, Systems Administrator; Fred Jones, Staff Assistant, Education; Jessica Kahanek, Press Assistant; Brian Kennedy, General Counsel; Sharon Lewis, Senior Disability Policy Advisor; Ricardo Martinez, Policy Advisor, Subcommittee on Higher Education, Lifelong Learning, and Competitiveness; Lisa Pugh, Legislative Fellow, Education; Melissa Salmanowitz, Press Secretary; Michele Varnhagen, Labor Policy Director; Margaret Young, Staff Assistant, Education; Stephanie Arras, Minority Legislative Assistant; James Bergeron, Minority Deputy Director of Education and Human Services Policy; Robert Borden, Minority General Counsel; Cameron Coursen, Minority Assistant Communications Director; Kirsten Duncan, Minority Professional Staff Member; Susan Ross, Minority Director of Education and Human Services Policy; Linda Stevens, Minority Chief Clerk/Assistant to the General Counsel; and Sally Stroup, Minority Staff Director.

Chairman HINOJOSA. A quorum is present, and the hearing of the subcommittee will come to order.

Pursuant to Committee Rule 12(a), any member may submit an opening statement in writing, which will be made part of the permanent record.

I now recognize myself, followed by the ranking member, Brett Guthrie, for an opening statement.

Good afternoon to everyone, and welcome to the Subcommittee on Higher Education, Lifelong Learning, and Competitiveness hearing on “New Innovations and Best Practices under the Workforce Investment Act,” better known as WIA.

One of the top legislative priorities for our subcommittee is the reauthorization of the Workforce Investment Act. WIA was last reauthorized in 1998 and was due for reauthorization in 2003. In other words, it is long overdue.

America's workers cannot afford to wait any longer for an upgrade to our workforce investment system. Our economy has lost 3.6 million jobs since December 2007, with 798,000 jobs shed last month alone. Unemployment has surged to 7.6 percent in our country. The magnitude of these losses is greater than anything we have seen in over a generation.

Worse, as we face the most serious economic crisis since the Great Depression, it is clear that we have failed to provide our workers with the education and skills that would help them weather this storm. According to the National Commission on Adult Literacy's report, "Reach Higher, America," 80 million to 90 million U.S. adults, roughly half of the workforce, lack the basic education and communication skills required for jobs that pay family-sustaining wages.

These are the challenges we must address as we renew the job training, adult education, and vocational rehabilitative services programs authorized under the Workforce Investment Act. The American Recovery and Reinvestment Act, which includes a multi-billion-dollar investment in job training to help prepare laid-off adult and younger workers for jobs in emerging industries, including green jobs, is a critical first step to getting America back to work. Just as we talk about modernizing our physical infrastructure, we need to modernize our infrastructure for supporting human capital. That is where the reauthorization of WIA will be key.

In 1998, we took a bold step forward in trying to unify a collection of discrete workforce development programs into a coherent system that would serve workers and employers alike. WIA envisioned one-stop services for locally developed solutions to workforce development needs.

The law was enacted during a time of economic expansion, a time when we were adding jobs and not shedding jobs. Today, we face a starkly different environment, and we must adjust our workforce investment policy to the new reality. An improved WIA should be a key plank in our plans to restore economic prosperity to America's working families. We have an opportunity to update job training programs so that they not only place workers into jobs but also onto career pathways to better wages and advancement in the workplace.

Reauthorization is the perfect time to get serious about re-engaging adult learners who struggle with literacy or who lack a high school diploma with our education system, providing them with the skills and credentials they need for success.

We also need to make sure that our investment in WIA results in more job training and education services in our communities. We need to look for innovative ways to manage the infrastructure and the administrative costs of the system so that we can maximize the resources that are available for direct services to workers.

Finally, we need to work on an accountability system that provides us with the information we need to determine that the pro-

grams are achieving their goals while, at the same time, build in accountability measures for serving the populations with the greatest barriers to employment.

I would like to work with all of the members of our subcommittee to shape a WIA reauthorization bill that will garner broad, bipartisan support.

Today's hearing is the beginning of our deliberations for this 111th Congress. I would like to thank the witnesses for joining us today. Your testimony, each and every one of you, will help set the stage for our work ahead.

I would like to recognize the senior Republican member of our subcommittee, Representative Brett Guthrie from Kentucky, for his opening statement.

And if I may ask him to pause for just a moment, I want to say that I believe that today's hearing is going to be one that is very important and, as I said in my closing statement, sets the foundation for the work that is before us, and one that we are going to try to move with great speed and hope that, if all goes well, that we can see our work concluded before the end of the summer.

And, with that, I yield to my good friend, Brett Guthrie.

[The statement of Mr. Hinojosa follows:]

Prepared Statement of Hon. Rubén Hinojosa, Chairman, Subcommittee on Higher Education, Lifelong Learning and Competitiveness

Good afternoon and welcome to the Subcommittee on Higher Education, Lifelong Learning and Competitiveness hearing on New Innovations and Best Practices under the Workforce Investment Act.

One of the top legislative priorities for our subcommittee is the reauthorization of the Workforce Investment Act—also known as WIA.

WIA was last reauthorized in 1998 and was due for reauthorization in 2003. In other words, it is long overdue.

America's workers cannot afford to wait any longer for an upgrade to our workforce investment system. Our economy has lost 3.6 million jobs since December 2007, with 598,000 jobs shed last month alone. Unemployment has surged to 7.6 percent. The magnitude of these losses is greater than anything we have seen in over a generation.

Worse, as we face the most serious economic crisis since the Great Depression, it is clear that we have failed to provide our workers with the education and skills that would help them weather the storm. According to the National Commission on Adult Literacy's report, Reach Higher, America, 80-90 million U.S. adults, roughly half of the workforce, lack the basic education and communication skills required for jobs that pay family sustaining wages.

These are the challenges we must address as we renew the job training, adult education, and vocational rehabilitative services programs authorized under the Workforce Investment Act.

The American Recovery and Reinvestment Act, which includes a multi-billion dollar investment in job training to help prepare laid-off, adult, and younger workers for jobs in emerging industries including green jobs, is a critical first step to getting America back to work.

Just as we talk about modernizing our physical infrastructure, we need to modernize our infrastructure for supporting human capital—that is where the reauthorization of the Workforce Investment Act will be key.

In 1998, we took a bold step forward in trying to unify a collection of discreet workforce development programs into a coherent system that would serve workers and employers alike. WIA envisioned one-stop services for locally developed solutions to workforce development needs. The law was enacted during a time of economic expansion, a time when we were adding jobs and not shedding them. Today, we face a starkly different environment and we must adjust our workforce investment policy to the new reality.

An improved WIA should be a key plank in our plans to restore economic prosperity to America's working families. We have an opportunity to update job training programs so that they not only place workers into jobs but also onto career path-

ways to better wages and advancement in the workplace. Reauthorization is the perfect time to get serious about re-engaging adult learners, who struggle with literacy or who lack a high school diploma, with our education system, providing them with the skills and credentials they need for success.

We also need to make sure that our investment in WIA results in more job training and education services in our communities. We need to look for innovative ways to manage the infrastructure and administrative costs of the system so that we can maximize the resources that are available for direct services to workers.

Finally, we need to work on an accountability system that provides us with the information we need to determine that the programs are achieving their goals, while at the same time build in accountability measures for serving the populations with the greatest barriers to employment.

I would like to work with all of the members of our subcommittee to shape a WIA reauthorization bill that will garner broad, bipartisan support.

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I would like to recognize the Senior Republican Member of our Subcommittee, Rep. Brett Guthrie, for his opening statement.

Mr. GUTHRIE. Thank you, Mr. Chairman. Thank you very much. And thank you for calling this hearing. And I welcome our distinguished witnesses. I look forward to working with you throughout the 111th Congress and on many important issues.

Our country is facing its toughest economic challenges in recent memory. We face complex and difficult problems as we work toward economic growth. Last week, we saw the Department of Labor statistic that nearly 600,000 jobs were lost in January. As more and more Americans join the ranks of the unemployed, there has never been a more critical time to make sure that our workforce has the opportunity to find new jobs or receive additional training.

In Kentucky, I have observed how investing in the workforce provides tangible improvements for workers, their families, and their employers. I come from a manufacturing background, so I have seen firsthand that unemployed workers who receive additional training for new skills can obtain a new higher-paying job, which radically transforms their way of life. At the same time, these newly trained workers increase the productivity of local employers and fill gaps in the workforce.

Investing in the workforce is important to make sure that our workers are adequately prepared to meet the changing demands of our economy. With the proper investment, our workforce can be strengthened and maintain its competitive advantage.

We must be committed to a dynamic, results-oriented job training system that can effectively serve those looking for a job and those workers in need of retraining. The one-stop shops under the Workforce Investment Act are a tremendous resource for workers. However, Federal job training initiatives have not been updated in more than a decade, leaving us with a system that is duplicative and less efficient than it could be.

We need to renew these programs for the 21st century, keeping local workforce investment boards at the center of a dynamic, responsive system to serve workers. If we are serious about restoring our economy, it is vitally important that the Workforce Investment Act be reauthorized now.

I look forward to today's testimony and learning the best practices and innovative ideas from around the country as we work to improve this important legislation.

Thank you, Mr. Chairman.

[The statement of Mr. Guthrie follows:]

**Prepared Statement of Hon. Brett Guthrie, Ranking Minority Member,
Subcommittee on Higher Education, Lifelong Learning, and Competitiveness**

Thank you, Mr. Chairman, for calling this hearing and I welcome our distinguished witnesses. I look forward to working with you throughout the 111th Congress on many important issues.

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I look forward to today's testimony and learning the best practices and innovative ideas from around the country as we work to improve this important legislation.

Thank you, Mr. Chairman.

Chairman HINOJOSA. Without objection, all members will have 14 days to submit additional materials or questions for the hearing record.

I would like to introduce our very distinguished panel of witnesses here with us this afternoon.

And welcome, to each and every one of you as witnesses.

On the lighting system, for those of you who have not testified before this subcommittee, I wish to explain our lighting system and the 5-minute rule. Everyone, including members, is limited to 5 minutes of presentation or questioning. The green light is illuminated when you begin to speak. When you see the yellow light, it means you have 1 minute remaining. When you see the red light, it means your time has expired and you need to begin the conclusion to your testimony.

Please be certain, as you testify, to turn on and to speak into the microphone in front of you.

Let me introduce the witnesses.

Our first witness is Ms. Bonnie Gonzalez, the CEO of the Workforce Solutions organization. Yvonne Bonnie Gonzalez was appointed CEO of her organization in May of 2003. In her position,

she has programmatic and fiduciary responsibility of the organization that oversees workforce development services for Hidalgo, for Starr, and Willacy Counties in deep south Texas. She is responsible for ensuring that public dollars go directly to services and investments in customized training, incumbent worker training, and other direct services provided to the business client and public through workforce centers.

Bonnie has worked in elementary and post-secondary education systems and has a special interest in our Nation's health-related infrastructure since she was a nurse by profession. Bonnie has a bachelor of science from the University of Texas at Austin and earned a master's of public administration from Harvard University. She is a very special person in my district which I represent.

And it is a pleasure to welcome you. I am going to let you get started.

Oh, forgive me. I am out of practice since we finished the last session. I am going to actually introduce all of the members of the panel and give my ranking member the opportunity to introduce someone from his State of Kentucky.

The second person who will be testifying today is Mr. Morton Bahr, president emeritus, Communications Workers of America, and commissioner on the National Commission on Adult Literacy.

Mr. Barr served his union for 51 years and retired as the president in 2005. Recently, he served as a member of the National Commission on Adult Literacy, and all our members have a report developed by the Commission in their folders. Under his leadership, CWA was one of the first unions to jointly own an educational company devoted to delivering educational opportunities to the members of the union who were employed by AT&T. This model was later replicated throughout the telecommunications industry.

In 1997, he was appointed by President Clinton to chair the Commission for a Nation of Lifelong Learners.

Welcome to our hearing, Mr. Bahr, and thank you for your service to our Nation.

The next speaker will be Mr. Stephen Wooderson, State director, Iowa Vocational Rehabilitation Services. Stephen Wooderson, of West Des Moines, has worked in the vocational rehabilitation profession for over 30 years. He began his career as a vocational rehabilitation counselor and served at all levels of supervision and management.

Stephen is also a retired Army Reserves lieutenant colonel, who has served in numerous command and staff positions during his 20-year military career prior to retiring in 2001.

Mr. Wooderson received his bachelor of science from Southwest Baptist College and earned his master's of arts from Spaulding University.

Welcome. And thank you for your military service, as well as your long years of service to your very important profession.

The next person will be Mr. Bill Camp, executive secretary, Sacramento Central Labor Council, AFL-CIO. Mr. Camp's umbrella organization of local unions represents 160,000 union families in Sacramento and five surrounding counties.

He is the vice chair of Sacramento Works, Incorporated, the county workforce investment board. He has also served as the past Chair of the United Way Board of California, Capital Region.

In the past, he has served as an elected school board member, worked at the California Agriculture Labor Relations Board, the California State Senate Rules Committee, and the California Labor Federation, AFL-CIO.

He received his bachelor's of arts in sociology from Oregon and earned his master's of arts in sociology from Duke University. Bill has served in his current position for 10 years.

And we really appreciate and welcome your perspective on the issues this afternoon.

Ms. Karen Elzey will be the next presenter. She is the vice president and executive director, Chamber of Commerce, and director of the Institute for a Competitive Workforce.

Ms. Elzey has 10 years' experience in workforce development and has received her bachelor's and earned her master's degree from Miami University of Ohio.

This afternoon, she will be discussing innovative strategies for workforce development that the Chamber is initiating through the Institute. She also is here to share the nationwide contributions of the business community in support of the Workforce Investment Act.

And I welcome Ms. Elzey.

At this time, I wish to give the speaking system to my ranking member, Brett.

Mr. GUTHRIE. Thank you, Mr. Chairman. I appreciate the opportunity to introduce our next witness.

And a lot of my colleagues and people here have been asking us about our ice storm, which was my district and your area where you live. So I appreciate your coming. I know there is a lot going on back in Elizabethtown. Fortunately, my house is just south of the line that came through. But I appreciate your coming here under difficult circumstances. And we appreciate everybody that has been commenting on Kentucky and giving us your prayers.

Sherry Johnson is the associate director for Employment Training Programs with the Lincoln Trail Area Development District in Elizabethtown, Kentucky. She has been with the agency since 1985. She has been the Chair of the Kentucky local Workforce Investment Area Directors Group and the Co-Chair for the Workforce Subcommittee of the Governor's BRAC Task Force. And BRAC is an acronym for essentially the realigning of Fort Knox. And I appreciate her doing that.

Sherry has a bachelor's degree from Murray State University and a master's degree from Western Kentucky University.

We welcome you here, Sherry, and thank you for making the trip to Washington.

Chairman HINOJOSA. With that, we will begin and ask the first witness, Ms. Gonzalez, if she would like to start.

**STATEMENT OF YVONNE BONNIE GONZALEZ, CHIEF
EXECUTIVE OFFICER, WORKFORCE SOLUTIONS, INC.**

Ms. GONZALEZ. Good afternoon, Chairman Hinojosa, Ranking Member Guthrie, and members of the subcommittee. My name is

Yvonne Bonnie Gonzalez, and currently as, you have been told, I serve as chief executive officer of Workforce Solutions.

Workforce Solutions is a workforce development board serving Hidalgo, Starr, and Willacy Counties right on the U.S. Texas border. We are one of 28 workforce development boards in the State of Texas. We are considered the fourth-largest board in the State, behind Houston, Dallas, and San Antonio, receiving a stake in Federal investment of approximately \$57 million this year for the purpose of connecting our business customers with our most available workforce.

As CEO, I have recently been named to the Governor's Texas Team for Nursing Education Capacity. I serve as a member of the U.S. Department of Labor's Initiative for Workforce Transformation and the Texas Association of Workforce Boards and the Border Trade Alliance. Membership in these committees, councils, and initiatives provide me the unique opportunity to contribute and, most importantly, to communicate the critical connection between education, workforce, and economic development.

On behalf of Workforce Solutions and our numerous public and private partners, I would like to thank the committee and the Chair for his invitation and for the opportunity to address this committee.

My remarks this afternoon will focus on the adult education/workforce development innovative strategies and best practices that will continue to strengthen Texas's and the Nation's competitive advantage in this 21st century.

Let me tell you a little bit about our area in south Texas. We are about 84 percent Hispanic; 27 percent of the families live below the poverty level, compared to about 12 percent statewide; 38 percent of people 25 years of age and older have less than a ninth-grade education. And that data is representative of the entire the State of Texas border.

National data demonstrate a clear relationship between educational attainment and lifelong earning potential. Sadly, the educational attainment in the lower Rio Grande Valley of Texas continues to lag behind the Nation. Roughly two out of every five adults in Hidalgo and Cameron Counties do not hold a high school diploma.

While the percentage of adult residents in the two counties with some college experience or an associate's degree is similar, the percentage completing a 4-year degree or higher is significantly—I say significantly—lower than the rest of the United States.

The Rio Grande Valley has a very young workforce, and this trend we see will continue over the next few decades. This also means that large numbers of young and inexperienced workers will continue to join the valley's labor force each year.

The lower Rio Grande Valley has a unique historical pattern of faster population growth during and immediately following a recession. The valley tends to draw an influx of migrants from Texas's major metropolitan areas, especially as jobs in those cities begin to dry up. There is a long data lag, so it may be a couple of years before the current recession shows up in the migration data.

The daunting nature of these economic and workforce challenges that I have just shared before you requires a renewed national

commitment and new national priorities. The 21st century workforce development system needs to remain locally driven, but it must receive the necessary and enhanced support and resources from Federal allocations. Bold, new thinking and drastic shifts in current policy will also be necessary to realize the vision of a successful workforce. This new economic era demands a new workforce development system.

Concerning unemployment statistics, I venture to say, and this committee obviously is very aware, that the fact that unemployment numbers are rising so fast, for those of us that are faced with that stark reality in our communities, that even historical unemployment trends and seasonally adjusted statistics have pretty much gone out the window during this economic crisis. The urgency of this present climate calls for changes in how the current systems operate.

Texas is a traditionally recognized leader in workforce development. However, differences in measuring the effectiveness of the workforce investment activity, we find, still separates boards and the grantor.

I see my red light is on. I reserve any comments. And, considering there are many pages left, should there be any additional comments or questions, I reserve the right to respond to those as needed. Thank you.

[The statement of Ms. Gonzalez follows:]

**Prepared Statement of Yvonne Bonnie Gonzalez, Chief Executive Officer,
Workforce Solutions, Inc.**

Good Afternoon, Chairman Hinojosa and Members of the Subcommittee.

My name is Yvonne "Bonnie" Gonzalez. I serve as the Chief Executive Officer of Workforce Solutions. Workforce Solutions is the workforce development board serving Hidalgo, Starr and Willacy Counties. Although this Board covers only three counties, it is representative and reflective of the 23 Texas counties along the entirety of the Mexican border. We are 1 of 28 workforce development boards in the state of Texas. We are the 4th largest board in the state behind Houston, Dallas, and San Antonio, receiving a state and federal investment of approximately \$57 million annually for the purpose of connecting business customers with the available workforce.

As CEO, I have recently been named to the Governor's "Texas Team for Nursing Education Capacity", serve as a member U.S. Department of Labor's Initiative for Workforce Transformation, the Texas Association of Workforce Boards and am a member of the Border Trade Alliance. Membership in these committees, councils and initiatives provides me the unique opportunity to contribute, and most importantly, to communicate the critical connection between education, workforce and economic development.

On behalf of Workforce Solutions, and our numerous public/private partners, I would like to thank you for the opportunity to address the Committee. My remarks this afternoon will focus on the adult education/workforce development innovative strategies and best practices that will continue to strengthen Texas' and the nation's competitive advantage in the 21st century global marketplace.

Demographics: The following is a snapshot of not only our area, but the Texas-Mexico border. These statistics are however not a secret to this Committee:

- 84% of the people are Hispanic
- 27% of the families live below the poverty level compared to 12% statewide (Texas Workforce Commission data 2006)
- 38% of people 25 years or older have less than a 9th grade education
- The Texas-Mexico border, especially from Webb County to Cameron County has repeatedly ranked amongst the fastest growing areas in the nation in the past 2 years
- National data demonstrate a clear relationship between educational attainment and life-long earning potential
- Educational attainment rates in the LRGV continue to lag behind the nation.

- Roughly two out of every five adults in Hidalgo and Cameron counties do not hold high school credentials.
- While the percentage of adult residents in the two counties with some college experience or an Associate's degree is similar, the percentage completing a 4-year degree or higher is significantly lower than the U.S.
- The Valley has a young workforce, with this trend projected to continue well into the coming decades.
- This means that large numbers of young, inexperienced workers will continue to join the Valley's labor force each year.
- The Lower Rio Grande Valley has a unique historical pattern of faster population growth during and immediately following a recession.
- The Valley tends to draw an influx of migrants from Texas's major metropolitan areas when those cities stop providing jobs (like construction) and people return home to the Valley.
- There's a long data lag, so it may be a couple of years before the current recession shows up in the migration data. But if past experience is a guide, the Valley may already be on the receiving end of an influx of migrants, many of whom are likely to be unemployed.

The daunting nature of these economic and workforce challenges requires a renewed national commitment and new national priorities. The new 21st century workforce development system needs to be locally driven and needs to receive the necessary and enhanced support and resources from federal allocations to enable our workforce to compete successfully in the global economy.

Bold new thinking and drastic shifts in current policy will also be necessary to realize this vision. A new economic era demands a new workforce development system. Projected growth statistics too numerous to mention points to the Hispanic population concentrated in states along the border as the source of the nation's future workforce.

Concerning employment and unemployment statistics, I would venture to say this Committee is especially aware of the fact unemployment numbers are rising so fast on a daily basis as to render any statistics meaningless; even historical unemployment trends and seasonally adjusted statistics have gone out the window during this economic crisis.

The urgency of the present climate calls for changes in how the current systems operate in order to meet the emergent needs of both workers and business. WIA is no exception.

Texas is a nationally recognized leader in Workforce Development. This recognition was achieved through the strong leadership, vision and fundamental understanding that business was at the core of and the ultimate consumer of the public dollar's investment in human capital. To continue building will require a review of current WIA rules and eligibility, allowable activities, eligible training provider systems and performance measures and their relation and relevance to business.

However, differences in measuring "the effectiveness of the workforce investment activities" still separate boards and the "grantor". To quote the old cliché "that which gets measured gets done" has become "operational" and drives the current workforce development system. Unfortunately, what is currently being measured and how it is measured clashes with private sector workforce plans.

Just as the daily headlines are capturing rapid historic changes in the nation's economy, so have the demographics.

- Our Workforce Centers are now reporting more and more people seeking employment who report a 12th grade education or higher. These new job seekers do not fit "pre-unemployment crises" profile; those with extremely low education levels and poor work history. This new "job seeker" will require expedited workforce services that do not fit the "traditional" model of adult-literacy/work experience/employment, but rather short term technical training in the emerging industry sectors with specific job skill portable credentials for entry into new job opportunities.

- The return of our troops from Iraq and Afghanistan will require extremely specialized services in conjunction with the Department of Vocational Rehabilitation Services to re-adjust into the workforce

- With Veterans as a priority a resource of skills and leadership will become available, but must be met with rapid re-training in these transferable skills into new industries

The current WIA system requires a delicate balancing act in order to meet both regulatory program compliance and the results businesses expect based on the plans developed from their input. The limited allowable activities (i.e. use of WIA funds) forces WIBs to innovate, to "think outside the box" while remaining physically "in the box". Through partnerships and collaboration, Workforce Solutions has been able to:

- Implement a Customer/Staffing Solutions and Business Consultative Approach that bridges job seeker and employer without references to governmental forms and policies
- Established Fee for Service to business in order to provide workforce expertise in the areas of human resources, job screening and assessments
- Established Workforce Solutions as an equal partner in economic development via Business Intelligence (data)
- Created linkages between emerging high technology jobs and preparation of the local workforce through competitive grants
- Implemented Read Right—a tutoring program for reading comprehension which has demonstrated significant impact
- Convened leading business and industry leaders to map the future of the workforce for investments of training funds

Workforce Development's future resides not in the delivery of services to targeted populations, but in "job creation" with business at the forefront, and the delivery of services at the speed that business demands. In order for WIA to remain "in business" it must return to its original intent of serving business.

Given the time allotted by the Committee, the following rules and regulations governing WIA must be re-visited with "business results" as the measures to be achieved.

- WIBs in Texas are awarded block grants which include TANF funds. Boards are measured on their ability to meet the "participation" hours of the TANF participant. This is not a workforce development program, but rather a "public assistance continuing eligibility requirement". Failure to keep the TANF recipient "participating" leads to sanctions

- Title II of WIA—Adult Basic Education and Literacy must be addressed and brought into Workforce Development as a provider. Currently WIA funds must be spent on Adult Basic Education and Literacy because administration of Title II funds do not prepare the job seeker for employment

- Program Eligibility—access to WIA training services are built on employment inhibiting requirements. An individual must document low income, dislocation from work or receipt of public assistance to qualify. These requirements limit the working poor, employed workers seeking training for higher skills and employed/incumbent workers from being able to progress in the workforce

- Time Limitations on training activities—allows only for those who are best prepared to complete training while leaving those who can most benefit without

- Efficiencies and Accountability—WIBs are in effect penalized for implementing efficiencies in the delivery of their services and documentation thereof.

A shift to a knowledge based economy increases the educational requirements of many industries and occupations. Higher education means increased capacity and productivity of a workforce, decreased need for social services, and finally an enhanced pace for innovation and increased competitiveness.

In summary, strategic and sustainable partnerships between education, workforce and economic development entities are critical. Together, building and deploying local talent is the key to maintaining a competitive advantage in the Rio Grande Valley, South Texas and the Nation. This type of innovative and strategic alignment will bring our nation's economy to a new level.

Your challenge and mine, is to secure the development and fostering of skilled talent for the nation.

Chairman HINOJOSA. Be assured that the entire statement that you brought us will be made part of the record.

Ms. GONZALEZ. Thank you.

Chairman HINOJOSA. I now call on Mr. Bahr.

STATEMENT OF MORTON BAHR, PRESIDENT EMERITUS, COMMUNICATIONS WORKERS OF AMERICA, COMMISSIONER, NATIONAL COMMISSION ON ADULT LITERACY

Mr. BAHR. Mr. Chairman, I want to thank you for your interest in adult education and the opportunity to discuss our commission's findings and recommendations.

Capital can be moved anywhere around the world while we sleep. New technology can give a company perhaps several months of lead time before the competition catches up. Therefore, to be an effective

competitor in the intensifying global marketplace, the United States must have the best educated, highly motivated workforce.

The choice before us, Mr. Chairman, is whether we settle for a low-skills, low-wage economy or we do all that is necessary to develop a high-skills, high-wage economy where all workers have the ability to earn family-sustaining wages. We know that education, skills development, and lifelong learning are the keys to an innovative and productive workforce.

America is in danger of losing its long-held place as world leader in education. For the first time in our history, our young adults aged 25 to 34 are less educated than their parents. In addition, about 88 million adults are undereducated insofar as being ready to do college-level work. This problem is also exacerbated by the 1.3 million high school students who drop out each year.

The Commission has two overarching recommendations. First, we ask Congress to transform the adult education and literacy system as we now know it into an adult education and workforce skills system, with the ability to serve 20 million adults by 2020.

Secondly, we ask Congress and State governments to make readiness for post-secondary education and workforce skills the primary mission of the adult education and workforce skills system. To achieve this essential transformation, we call for significant action on the part of Federal and State governments.

At the core of our Federal recommendation is the passage of a comprehensive new Adult Education and Economic Growth Act, designed to overhaul and expand adult education and workforce skills training. The act should define the fundamentals of adult education, set forth new program goals, and offer incentives and strategies to increase learner access.

Because readiness is the major new service outcome and since we want to prepare learners for employment in high-performance workplaces, the new programs will need to offer such basics as excellence in oral and written communications, critical thinking, problem solving, the ability to adapt to new technologies, and work in teams. This will require traditional adult education and workforce development groups to work together more closely.

States should invest more in the skills of their workers so that increased productivity helps offset the effect of low-wage labor paid in developing countries.

Government alone cannot do the entire job. Business, too, must step up to the plate. For example, 16 national unions, together with some 400 employers in the private and public sectors, are jointly providing education and training opportunities to some 500,000 workers.

During our 2 years of intensive study, we learned that you cannot tweak a system designed for the 20th century to be relevant in the rapidly changing world of the 21st century. That is why we call for action at all levels to transform the system into an adult education and workforce skills system. The system must be highly accountable, have more relevance, measurable outcomes, and preserve and create economic opportunities for key underserved segments of our population.

As the 2007 State New Economy Index puts it, workers who are skilled with their hands and could reliably work in repetitive and

sometimes physically demanding jobs were the engine of the old economy. In today's new economy, knowledge-based jobs are driving the economy, jobs held by individuals with at least 2 years of college.

The Commission proposes a new system, built up gradually over the next decade, to address the needs described in our report. This means that workplace skills education should be much more highly valued and that employers should devote a larger share of their training budgets to their low-skilled workers.

Mr. Chairman, the challenge facing our Nation cannot be underestimated. How well we deal with it will largely determine how successfully we compete with the rest of the world and what economic and social standards our citizens will enjoy. It will take a Marshall Plan type of response by government at all levels, business, labor, and philanthropy, all working together to restore our leadership around the world.

For me, speaking from 51 years of serving the members of my union and the communities in which they live, I believe we can develop an economy where not a single U.S. employer can justify moving work offshore because there were no qualified American workers and that we can eliminate the use of H-1B visas or keep it to a bare and justified minimum.

Thank you.

[The statement of Mr. Bahr follows:]

Prepared Statement of Morton Bahr, President Emeritus, Communications Workers of America, Commissioner, National Commission on Adult Literacy

Mr. Chairman, thank you for this opportunity to tell the Subcommittee on Education and Labor about the findings of the National Commission on Adult Literacy. We appreciate your recognition of the importance of adult education—the third leg of our educational system—in preparing our workforce for jobs.

The National Commission is a distinguished independent panel of leaders. We are former U.S. secretaries of labor and education, prominent business and labor leaders, and workforce development experts. We are adult educators, community college heads, and researchers. We are leaders in ESL, family literacy, correctional education, youth policy, philanthropy, and even the Foreign Service. Our final report, *Reach Higher, America*, was released on June 26, 2008 at a special event on Capitol Hill. You should have a full copy of that report in your folder.

It is no secret that America is at risk of losing its place as a world leader in education. Here is just one alarming indication of that from our report: Of all 30 OECD free-market countries, we are currently the only nation whose young adults are less educated than the previous generation.¹

Here is another alarming fact. Some 88 million adults in America need help with their ESL and basic skills, yet we are currently providing services to only 3 million people. I will elaborate on these numbers shortly. The Commission calls for bold change at the state and federal levels to address this challenge. We have two overarching recommendations:

- We call on Congress to transform the adult education and literacy system as we now know it into an adult education and workforce skills system with the capacity to effectively serve 20 million adults annually by the year 2020.
- We call on Congress and state governments to make readiness for postsecondary education and workforce the primary mission of the adult education and workforce skills system.

To achieve this essential transformation, we call for several actions, particularly on the part of federal and state government.

For this bold federal leadership role to pay off, it must be met by strong state leadership. Here, in broad terms, are our recommendations on the state role:

¹ Source: *Education at a Glance, 2007*, OECD, analysis for the Commission by the National Center for Higher Education Management Systems (NCHEMS).

6) States should engage in comprehensive planning and establish goals to improve adult educational attainment and workforce skills in light of their economic development goals.

7) States should legislate authority for coordination and alignment of systems consistent with their postsecondary education, workforce, and economic development goals. In some cases, a cross-agency planning body already exists; in others it may need to be created. In some states, a cabinet level position might either be established or strengthened. Whatever the approach, most commissioners feel the governor's office must be involved.

8) New federal funds under the new Act should be awarded to states following federal approval of a comprehensive adult education plan that each state develops and updates periodically for federal review. These funds should be available for awards within the first year of the Act's passage, and states should be "held harmless" at current federal adult education grant levels.

9) States should invest more in the skills of their workers so that increased productivity helps offset the effect of low-cost labor furnished by developing countries. Business must be an active partner in this effort.

The recommended federal and state actions aim to increase dramatically the number of adult Americans with limited basic skills who receive basic skills instruction as defined in the Act. They should result in seamless pathways of instruction from the lowest levels of proficiency to attainment of a GED and/or readiness for occupational and/or postsecondary education. They should greatly strengthen the quality, range, and accountability of basic skills instruction and related services. And we should gradually achieve the following desired outcomes from general and workforce basic skills instruction—verifiable learning gains, acquisition of basic and workforce skills, accelerated learning, GED acquisition, and transitions to vocational, postsecondary, or other programs that will benefit individuals, the business community, the economy, and American society.

Let me now explain the reasons for our recommendations. During two years of intensive study,² we thoroughly examined our current adult basic education system. We looked at its scope, purposes, funding, enrollments, and outcomes. We also looked carefully at the federal role in this system, at state performance, and at the impact of changing demographics in America on our global competitiveness and human resource development needs. We wanted to determine how well this system, created for the 20th century, meets the nation's need to prepare current and future workers in the 21st century, from the standpoint of adults with low basic skills—our community leaders, our parents and family units, our young adults, our aspiring new Americans, our neighbors, incumbent workers, the unemployed and underemployed.

The Commission quickly discovered that America's needs cannot be met by simply tweaking the adult education system we have. That's why we call for action at all levels—with a focus on federal and state leadership—to transform the system into an "Adult Education and Workforce Skills System." This system must be highly accountable; have more relevant, measurable, and comparable outcomes; and preserve and create economic opportunities for key underserved segments of our population—especially the burgeoning ESL population, the huge number of high school dropouts and underachievers, and nonviolent offenders in our correctional population, who return daily to our communities lacking the skills to qualify for jobs.

These people, and many millions of other adults at very low literacy and ESL levels, are a big part of our workforce. The vast majority of them are beyond the reach of our secondary schools and of higher education institutions. Right now, the U.S. labor force consists of about 150 million adults aged 16 and older.³ Unless we rise to the adult education challenge, nearly half of these people, many of prime working age, will fall behind in their struggle to get higher wage jobs, or to qualify for the college courses or job training that will help them join or advance in jobs that pay a family-sustaining wage.

The American economy requires increasingly that most workers have at least some postsecondary education or occupational training to be ready for current and future jobs in the global marketplace. The Bureau of Labor Statistics forecasts that between 2004 and 2014, 24 of the 30 fastest growing occupations will require workers with postsecondary education or training to compete internationally and maintain our standard of living. Every bit of research wisdom over the past two decades

²The Commission's work was enabled by funding from the Dollar General Corporation (lead funder at \$1 million), the Charles Stewart Mott Foundation, The McGraw-Hill Companies, Harold W. McGraw, Jr., a longtime champion of adult education and literacy, and the Joyce and Ford Foundations.

³Source: 2006 American Community Survey, U.S. Census Bureau.

supports this proposition. The New Commission on Skills of the American Workforce and the Commission on a Nation of Lifelong Learners, on which I also served, are two of those voices. Yet, we have been moving further from that goal, until now I hope.

As the 2007 State New Economy Index puts it: “Workers who were skilled with their hands and could reliably work in repetitive and sometimes physically demanding jobs were the engine of the old economy. In today’s New Economy, knowledge-based jobs are driving prosperity * * * jobs held by individuals with at least two years of college.”

At present, as this Committee knows, our high school dropout rates are staggering. But other compelling facts underlie the Commission’s recommendations, too. For example, one in four working families is low-income, and one in five lives in poverty. Parents and caregivers in many of these households lack the education and skills to earn a family-sustaining wage. One in every 100 U.S. adults 16 and older is in prison or jail at any given time (about 2.3 million persons in 2006). About 43 percent of these people don’t have a high school diploma or equivalent; some 56 percent have very low basic skills. Yet 95 percent of incarcerated people return to our communities. More than 18 million recent immigrants need ESL and literacy services now. And beyond that, each year another 2 million immigrants come to the U.S. seeking jobs and better lives—the promise of America. The Commission discussed the ESL need as a “tsunami.” Fifty percent of these people have low literacy levels and lack high school education and English language skills, severely limiting their access to jobs and job training, college, and citizenship. I should note that a collateral benefit of ESL instruction is preparation for citizenship.

The recent National Assessment of Adult Literacy found that about 30 million adults 16 and older are at the very lowest level of skills proficiency, which they call “below basic.” Another 60 million are less than proficient and need various amounts of skills upgrading. Analysis done for the Commission by the National Center for Higher Education Management Systems found that at least one educational barrier keeps up to 88 million adults (aged 18 and older) from entering college and/or job training programs. Of these 88 million:

- 18.2 million are English-speaking adults who lack a high school diploma.
- 18.4 million have limited English skills. Of these 8.2 million have not completed high school and many others have less than adequate basic literacy skills.
- 51.3 million have a high school diploma but no college and many millions of them are not prepared to enter college or jobs.

In light of these statistics, it is truly shocking that the adult education programs of the U.S. Departments of Education and Labor, where the bulk of services are offered, are presently serving only 3 million adults aged 16 and over.

Most states have not been seriously committed to adult education either—although in some cases this attitude is changing. Every state has an ESL service need, and ESL services are receiving the lion’s share of adult education funding. For instance, in California, total enrollment was about 570,000 in 2007. Of these, only 18% were in adult basic education programs, 11% were in high school diploma (ASE) programs, and a whopping 71% were in ESL programs. In Rhode Island, of the 6,787 enrolled in 2007, 49% were enrolled in ESL. In Texas, with a total enrollment of 102,365 in 2007, ESL accounted for 58%. The national average for these three program types is 38% for ABE, 16% for ASE/GED, and 46% for ESL, respectively. Clearly, we are addressing the tip of the iceberg in all three areas of service.

States appropriate funds to meet Department of Education matching requirements. By this criterion, our analysis shows that state commitment to adult education varies widely. Using the three states mentioned above: California’s state appropriation in 2008 was \$700 million. It matched the federal grant of \$62 million by 1133%. Rhode Island ranks somewhere in the middle in terms of match percentage. Its appropriation last year, \$2 million, was 98% of the federal grant amount. Texas ranks near the bottom on this measure. It got federal grant funds of nearly \$40 million and provided a 15% match of \$6 million.

In Reach Higher, America, the Commission looks at national and state comparisons of GED need and attainment. Texas and California top the list in terms of the low percentage of GEDs attained in relation to adults 18-64 without a high school diploma. In Texas, about 2.9 million adults aged 18-64 lacked a high school diploma in 2006. Only about 32,000 attained a GED or equivalent, about 1.1% of the need. This pattern is consistent across the states for a national average of only 1.5%. It is quite evident that we can and need to do much better.

The Commission proposes a new System built up gradually over the next decade or so to address the needs and problems described above. The System we envision will provide nearly seven times the current service capacity. It will emphasize readiness for entering college and job training programs to prepare adults for family-sus-

taining jobs. It will emphasize workforce certificates and other concrete measures to demonstrate readiness. It will require comprehensive planning at the state level and stronger state funding commitments. It will require new partnerships at all levels, especially across and among federal and state agencies, but also among disparate service provider types, who need to rise above self-interest and turf barriers. It must serve people all along a continuum of need from those at the lowest skill level to those just short of readiness. And, again, it includes both incumbent and future workers. This means that workplace skills education should be much more highly valued, and that employers should devote a larger share of their training budgets to their low-skilled workers.

The Commission's recommendations target federal and state government. But we also call for much stronger partnerships between the states and the business community, and we call on community colleges and other adult education service providers, nonprofit organizations, and philanthropy to play their part. All have an essential role.

One of the curses of current federal and state educational policy and practice is the ultra-territorial division of many of our important reform efforts, resulting in disconnected and insular silos that work against creative communication, meaningful evaluation, and positive change. I can't emphasize enough the importance of breaking down entrenched silos of interest in the campaign we are recommending.

The new Adult Education and Economic Growth Act should call for connections between the adult education and workforce skills programs of all federal agencies, especially the WIA Title I and II programs. Fragmentation, disconnect, and lack of communication characterize these interactions now. And it should require states to develop integrated statewide plans as a condition of receiving new federal funds. In these plans, adult education and workforce skills development are to be linked more closely in the context of clearly articulated state economic goals. It also would mobilize public and private resources in a way that allows the states to pursue their own choices depending on differences in state demographics and local need—such as family and parent literacy, crime prevention and recovery, the needs of non-English language minorities, the needs of working-age nonviolent offenders, preparation for success in and entry into college and job training, and excellence in the 21st century workforce. And it would actively engage governors and their policy staff, and provide federal incentives to encourage that.

The kind of responsible change I am speaking about today should resonate in the Obama Administration. The Commission believes this change is crucial if we are to provide family-sustaining jobs, compete in the global economy, and protect our nation's security, core democratic values, and opportunity for all Americans.

Mr. Chairman, adult education and workforce skills services for a majority of the 88 million adults defined by the Commission are absolutely key to economic recovery and growth. The goals of providing job training for displaced workers and creating a competitive workforce in "green jobs" and other aspects of the new economy cannot be achieved unless the adult education system is reinforced and redirected to help tens of millions of adults enter the system to acquire the basic skills they need to participate in postsecondary and job training programs.

Education drives the economy! That refrain was heard again and again in the deliberations of our National Commission. We understand the urgency of strengthening our K-12 and higher education institutions, but adult education is equally important. It is the third vital part of our educational system. It is now a marginalized enterprise and must be strengthened and transformed right along with them.

America faces a choice. We can invest in the basic education and skills of our workforce and remain competitive in today's global economy. Or we can continue to overlook the glaring evidence of a national crisis as documented in the Commission's report and move further down the path to decline. We must rise to the challenge.

The plan set forth in *Reach Higher, America* constitutes a kind of domestic Marshall Plan—because that is how serious we consider the challenge. Action to meet the challenge will cost a great deal more than we are spending now. But the Commission doesn't just call for a heavier infusion of new funds. Our report devotes an entire chapter to spelling out the substantial fiscal gains that will result from those expenditures. It's a national investment that will pay for itself many times over. For example, according to the Center for Labor Market Studies at Northeastern University, if 4 million dropouts earn a high school diploma by 2020, the net fiscal contributions to federal, state, and local governments in 2008 dollars would exceed \$25 billion annually. To give another example, if the 2.9 million adults (18-64) in Texas who do not have a high school diploma or GED got one, their annual net fiscal contribution to national, state, and local governments would increase by \$13.5 billion. If they attended college, the annual net fiscal contribution would increase by another \$10.6 billion.

In closing, I want to make two final points:

Much of the national conversation today is necessarily about jobs. Transforming the adult education system into the Adult Education and Workforce Skills System we call for will create many new jobs in that sector of our economy. There is an acute need for many thousands of additional teachers, trainers, counselors, and other staff in the network of programs out there already; many thousands more will be needed as the new System is developed.

I also realize that some may think our goals are unrealistic. But many initiatives are already in the works in some of the states, trying to tackle local adult education and skills training needs along the lines recommended by the Commission, and they are starting to get successful results. Some of these leading lights are profiled in the Commission's report. They include an array of workplace education programs; the statewide programs of the Indiana State Chamber of Commerce; a model public-private venture in Patrick County, Virginia; a cooperative college transition program in Louisville, Kentucky; and the much-touted I-Best program in Washington. These forward-thinking activities are proof that what we're calling for can be done.

Thank you.

Chairman HINOJOSA. The rest of the entire report that you have prepared will be made part of today's hearing.

Mr. BAHR. Thank you, Mr. Chairman.

Chairman HINOJOSA. Mr. Wooderson?

STATEMENT OF STEPHEN WOODERSON, STATE ADMINISTRATOR, IOWA VOCATIONAL REHABILITATION SERVICES

Mr. WOODERSON. Mr. Chairman, ranking member, and members of the subcommittee, thank you very much for this opportunity. I am Steve Wooderson from Des Moines, Iowa, and today I serve as president-elect of the Council of State Administrators of Vocational Rehabilitation.

We know that people with disabilities have a history of low employment. In fact, if you experience a disability, you can anticipate twice as many people with disabilities not having a job as individuals that do have a disability.

As a result of that, the Public VR Program was established in 1920 with the expressed purpose of increasing the rate of employment for people with disabilities. And today the Public Vocational Rehabilitation Program serves approximately 1 million consumers in our country every year.

The public perception of people with disabilities has changed over the last several years, much in part due to the Americans with Disabilities Act, many other pieces of legislation that have brought that to the forefront. We know that there are many people with significant disabilities in our country that can go to work and want to go to work. As a result of that, in 1998, the Rehabilitation Act was reauthorized as Title IV of the Workforce Investment Act.

The Public VR Program was identified, at that time, as being a mandatory partner in the one-stop delivery system. The hallmark of our program is specialized counselors highly trained to work with individuals with significant disabilities to identify their unique needs, their unique abilities, and develop a customized, individualized career plan to help put them back to work.

Mr. Chairman, in Pharr, Texas, we have a gentleman by the name of Mario that went to work after losing his previous job due to his disability, his disability being post-polio syndrome. We worked with our national employment network team and were able to help him in Texas, look at what the job market was like, identi-

fied opportunities for guidance and counseling, provided him with some prosthetic devices. And today he works for Convergys, a national company, and he is able to work out of his home as a result of the work of the Texas VR agency.

Steve came to us as a young man in high school, junior, as many people do who are looking to transition from high school to post-high school activities. He experienced a learning disability, attention deficit disorder, also had difficulty with his speech as well. He wanted to go on. Our vocational rehabilitation counselor worked with him, with his school teachers, developed supports for him so that he was able to get job experience, eventually go to college with the support of the VR. And today Steve is a school teacher in Goose Creek, Iowa, making \$30,000 a year. He is also a coach in that school system.

We are also seeing an increase in referrals of our soldiers and servicemen and servicewomen coming back from Iraq and Afghanistan seeking services from the Public VR Program. Marine Lance Corporal Webb is a native of Alabama, went to serve our country in Iraq, was there 2 weeks, was injured. As a result of his injury, he lost a leg. He came back to Alabama looking for work. Our Alabama agency was able to work with the local employer. Alabama Power accommodated the workplace. He was hired as a dispatcher. And today he has actually moved into another job where he is a property management specialist.

The demand for our services continues to rise at the same time our resources and our capacities continue to decrease. Some of the challenges that we are facing in the Public Vocational Rehabilitation Program is the mandatory COLA identified as being a floor; in reality, for us, it has become a ceiling.

In 2008, 36 of our State agencies experienced waiting lists because they were unable to serve all individuals, meaning 35,000 individuals with disabilities were waiting to access services from the Public Vocational Rehabilitation Program.

The Workforce Investment Act wisely consolidated a number of programs into one. We agree with that. At the same time, the total dollars that are available for employment and training has reduced, creating additional challenges for us.

Because of the complexity of the nature of the work of the Public Vocational Rehabilitation Program, serving folks with wide ranges of disabilities and very significant disabilities, our council believes that the Public Vocational Rehabilitation Program, our participation in the one-stop career centers must be considered in light of those challenges, and our outcomes must be evaluated in light of those challenges as well.

We are very grateful to the bipartisan support for the stimulus package, where we look to have \$500 million come to the Public Vocational Rehabilitation Program. We believe that is going to go a long way to eliminate those waiting lists, hopefully completely eliminate those current waiting lists as they are today.

We are proud of the history of the VR Program. We believe that the data is there to show the value added. In fiscal year 2007, the Public VR Program, with our partners, put 200,000 people with disabilities to work in this country. They earned \$3 billion in wages. They paid \$966 million in Federal, State, and local taxes, and gen-

erated 36,000 additional jobs. Our figures show that they will pay back the cost of their rehabilitation in 2 to 4 years in taxes alone.

Mr. Chairman, thank you for the opportunity to speak, and I look forward to responding to any questions you may have.

[The statement of Mr. Wooderson follows:]

Prepared Statement of Steve Wooderson, Administrator, Iowa Vocational Rehabilitation Services

Mr. Chairman, Ranking Member Guthrie, and Members of the Subcommittee, thank you for inviting me here today to discuss the Public Vocational Rehabilitation program history, success, and challenges. My name is Steve Wooderson and I am the Administrator of the Iowa Office of Vocational Rehabilitation Services. I am here today as President-elect of the Council of State Administrators of Vocational Rehabilitation (CSAVR), the national organization that represents the State Directors of Vocational Rehabilitation.

People with disabilities have a history of low employment; estimates are that as high as 70% of people with disabilities are not in the workforce and that a majority of these unemployed people want to be working. Many of those who are employed, are working in part-time positions or struggle to find ways to survive on low paying positions without benefits. A high percentage of the population lives below the poverty line. Individuals with disabilities who receive government support through programs such as Social Security and Medicare/Medicaid want to work but are not able to acquire positions that pay enough or provide the medical care that they need. Though they want to leave the rolls of government programs, their survival depends upon the medical supports offered through those systems.

For the first time ever, last week the Bureau of Labor Statistics (BLS) reported that in December 2008 the unemployment rate for persons with a disability was 12.3 percent and rose to 13.2 percent in January 2009 (not seasonally adjusted) as compared to those without a disability at 6.9 percent (December) and 8.3 percent (January). The percentage of people with disabilities who are unemployed is nearly double that of individuals who do not have a disability. However, what is most disconcerting within the new statistics is that the unemployment rate for people with disabilities is based on only 23% of the population of individuals being in the labor force, as opposed to nearly 71% of individuals without disabilities.

The population of people with disabilities continues to increase as more individuals survive accident, illness and trauma. There is also a rise in prenatal conditions and without sufficient health care in poor communities childhood illness and disease such as diabetes are on the rise. Autism, learning disabilities and attention deficit disorder are seen in increasingly high levels in the K-12 school system. Disability is also prevalent in veterans who are returning home from the conflicts in Iraq and Afghanistan as well as those at home who are living with disabilities which are service or non-service connected. With the aging population and the current economic conditions, many people are forced to work longer because they lack or have lost their retirement. The aging workforce is growing and predicted to continue to increase as people work well into their 70's and beyond. This workforce requires a unique approach to workplace accommodations as they and their employers work through issues related to physical limitations and sensory disabilities involving vision and hearing. All of these individuals are potential consumers of the Public Vocational Rehabilitation program.

The Public Vocational Rehabilitation program was established by Congress in 1920 as a state-federal partnership to assist eligible individuals with disabilities to achieve gainful employment and to live more productive lives in the community. Each year the VR program serves approximately one million customers with disabilities in multi-year career plans.

The Rehabilitation Act

The Rehabilitation Act of 1973, as amended, (The Act) authorizes and funds a comprehensive array of programs to assist individuals with physical and mental disabilities to maximize their employment and to achieve economic self-sufficiency, independence, inclusion and integration into society.

There are seven titles in The Act. Each of these titles addresses an area of need and establishes programs that Congress designated to provide comprehensive services to support the employment and independence of people with disabilities.

Title I authorizes the Public VR program which includes a consumer run State Rehabilitation Council, the Client Assistance Program and funding under VR services grants which incorporates the American Indian Rehabilitation program.

Title II incorporates research and training.

Title III covers the inclusion of programs designed to focus on the professional development and training of qualified staff, and special projects such as the Migrant and Seasonal Farmworkers programs.

Title IV of the Act authorizes the National Council on Disability which is composed of fifteen Presidential appointees that represent various facets of the disability community to advise the President, Congress and key staff in the Department of Education, including the Commissioner of the Rehabilitation Services Administration on the development of programs under the Act.

Title V is a civil rights component in The Act that focuses on the access to services, facilities, programs and employment opportunities in the Federal government or in programs and/or contractors receiving Federal funds.

Title VI of the Act establishes programs that help create employment opportunities and work in conjunction with the VR program, including Supported Employment and Projects with Industry programs designed to meet the need for ongoing supports for those individuals who are significantly disabled.

Title VII of the Act authorizes independent living (IL) services through a State network of community based IL centers which are coordinated through a State Independent Living Council. This Title also funds IL services for older individuals who are blind and need supports to remain living independently.

Together these Titles address the various facets of individual need and the development of staff, programs and services that support the employment and independence of people with disabilities.

The Public Vocational Rehabilitation (VR) program funded under Title I of the Act is the primary Federal program assisting individuals with disabilities, including individuals with the most significant disabilities, in securing competitive employment. Congress designated the Public VR program as a mandatory partner in the One-Stop service delivery system created under the Workforce Investment Act of 1998 (WIA).

VR provides a broad array of individualized services and supports to assist eligible individuals with disabilities in overcoming barriers to employment. VR services may include, but are not limited to, evaluations and assessments; counseling and guidance, vocational and other training and employment services; orientation and mobility training; transportation services and vehicle modifications; personal assistance services, job coaching, supported employment services; transition services for youth from school to work; job placement services; and post employment services. VR also works with a number of community partners in a variety of ways to meet the employment needs of individuals with disabilities.

The Public VR program has many valuable features that distinguish it from other employment programs operating today. VR employs qualified rehabilitation professionals to identify the unique strengths, resources, priorities, concerns, abilities, capabilities, interests and informed choices of eligible individuals so that individualized services plans can be developed to ensure effective job matching and ongoing job success, features that can positively influence the bottom line for businesses.

History and Development of The Rehabilitation Act

Since the inception of the Act, the public perception of disability has changed significantly. We have much greater expectations for people with disabilities, and understand that most of these individuals have the capacity to be, and want to be, important contributors to our workforce. In response to these changing perceptions, Congress has amended the Rehabilitation Act accordingly.

In 1943, amendments to the Act extended services to persons with intellectual disabilities (mental retardation), mental illness and blindness. It also required that each VR agency submit a written State Plan to be approved by the Federal Government.

A significant number of other Amendments to the Act took place between 1943 and 1973; however, in 1973 there was a major overhaul of the Act. A requirement for a client-centered rehabilitation plan was added to the Act and focused on employment outcomes. The Act also required that VR serve people with the most significant disabilities as a priority and added civil rights protections for individuals with disabilities who are served by any programs that receive federal funding.

In 1978 Independent Living and the Client Assistance Program became permanent within the Act, and programs were added to serve American Indians and Migrant and Seasonal Farm workers.

In 1986 Supported Employment was added to the Act to increase the employment of individuals with the most significant disabilities by providing them with job coaching and ongoing supports.

In 1992 Congress required state agencies to focus on competitive employment as the primary outcome of the VR program, and created a “presumptive eligibility” for individuals who received Social Security benefits due to a disability. Approximately one-third of VR’s customers are people on Social Security Disability Insurance or Supplemental Security Income. The 1992 Amendments also included a focus on serving students transitioning from school to work.

Finally, in 1998 the Rehabilitation Act was reauthorized through Title IV of the Workforce Investment Act to enhance partnerships between state VR agencies and their workforce partners to increase the employment of individuals with disabilities. Also in 1998 the Comprehensive System of Personnel Development (CSPD) was added to ensure that VR agencies employed qualified staff.

Focus on Comprehensive Individualized Planning

Over the past 89 years the program has been expanded to serve a variety of eligible individuals with disabilities and to provide a wide range of services that are required for that individual to achieve an employment outcome and become independent. The hallmark of the VR program is its ability to provide a wide range of services to eligible individuals with disabilities through a comprehensive individualized career plan called the Individualized Plan for Employment or the IPE.

The IPE incorporates the holistic needs of the individual which can include areas such as medical, psychological, accommodations and/or adaptive technologies, financial, housing, transportation, education, etc. and how services can reduce or eliminate barriers to support the individual’s vocational goal and success in the workplace. For individuals with disabilities, success in a career requires this type of comprehensive approach.

Where other programs are menu driven, VR customizes plans based on individual needs, vocational goals and the local labor market. It is a unique approach and works well for individuals with disabilities because of their varying needs and circumstances.

VR—Employer Partnerships

Over the years state VR agencies have also worked hard to develop stronger relationships with the business community. Recently the CSAVR has created a National Employment Team (NET) that is a network of the 80 state VR agencies and their employer partners to focus on increasing the employment of VR consumers. The NET has working partnerships with major corporations such as Walgreens, Safeway Convergys, Microsoft, and also with federal agencies such as the Internal Revenue Service (IRS) and the Department of Transportation (DOT), to name a few.

Through the coordinated national team, VR’s relationship with business effectively meets their employment needs while it incorporates “real time” information from employers into VR’s career planning and IPE process with consumers. This up-front work with business opens the doors to national employment opportunities for VR consumers.

The national model with the corporate connections allows VR to develop productive working relationships with businesses in multiple states. The top level support and a company wide strategy have resulted in multiple employment outcomes. For example, in 2007 over 600 VR consumers were hired by Safeway which is headquartered in Pleasanton, CA. but does business in multiple states across the country.

Another one of VR’s important business partners is Convergys. Convergys is an outsourcing company headquartered in Cincinnati, Ohio but doing business in 35 countries. Through the NET, VR has developed a corporate level relationship that resulted in employment opportunities in 29 states. VR consumers are being hired for positions in brick and mortar sites as well as in home agent positions which allows individuals with significant disabilities and those in rural areas to be employed in good paying positions with benefits.

In the area of IT, VR is working closely with Convergys to find a solution that will support access for people who are blind and use screen readers. Screen readers vocalize the printed information that sighted people access on the computer screen. Convergys has a corporate IT and HR team working with a VR team that includes staff experts from five agencies across the country. The company is thrilled because VR is providing the technical expertise to work with the company to resolve the access issue so that they can employ the talents of individuals who are blind. Again, this type of working relationship will open up employment opportunities for people with disabilities in 29 states through this one initiative. It also serves as a corporate model to other business customers.

Individual Results

VR Consumers—Convergys: Texas and Iowa

I want to share with you stories that are examples of the kind of work our agencies do every day. The first is about a man named Mario from Pharr, Texas. Mario is a 36 year old consumer who came to the State VR Agency in Texas seeking assistance after losing his job as a sanitation worker, due to his disability, post polio syndrome. When Mario applied for VR services, he was being supported by his girlfriend and Temporary Assistance for Needy Families (TANF). He requested VR's assistance to find employment and to acquire prosthetic and orthotic devices that would accommodate his disability at work.

His VR counselor provided him with the needed accommodations and helped him to secure more suitable employment. As a result of the counseling, guidance, job placement assistance, and other vocational rehabilitation services provided by DARS, Mario was able to go to work for Convergys as a customer service representative on May 19, 2008. Because of these services, Mario was able to maintain this position and is still employed today.

In Iowa our VR NET relationship with Convergys also helped David, age 44, from New London, Iowa, to become recently employed by Convergys. David is paralyzed from the waist down and uses a wheelchair for mobility. David came to IVRS after being laid off from a production position as a quality inspector.

Iowa VR (IVRS) supported David in his goal of achieving his Associate of Arts degree at the local community college, but finding work in an economically depressed area of the state following his graduation had been a challenge. In addition, David had been addressing the challenge of leg tremors when he is exposed to changes in temperature and knows that working in a factory setting was not compatible with his overall well being.

When David and his VR counselor began to investigate alternative career opportunities, they became aware of the NET's partnership with Convergys. After a review of the job description, it was determined that David had the skills and abilities to perform the essential functions of a home agent. They also considered the physical advantage of working from home and liked the fact that David would be earning an hourly salary plus benefits.

Since December IVRS has connected David with the Convergys recruiter, helped upgrade his home computer, assisted him with purchasing necessary equipment, and he is now anticipating the start of his two-week training on February 9. David is extremely motivated by the long-term opportunity with Convergys to enable him to incorporate his outgoing personality with the customers he will be assisting on a daily basis.

VR Transition Student—Hyatt: Florida

In June of 2002, Tara Gilio was an 18-year-old exceptional education student graduating with a special diploma. Tara lived in Hudson, FL—a small town about an hour north of Tampa. She participated in classes for students with specific learning disabilities due to severe processing deficits that limited her reading and writing to 4th grade levels. Although she was an outgoing young lady, she knew that she would not qualify for traditional post-secondary programs—such as a vocational/technical school or community college.

During her senior year in high school, Tara met her Vocational Rehabilitation Counselor who specialized in Transition and School to Work students. Her VR Counselor quickly identified Tara's interest in foodservice and referred her to a short-term alternative culinary training program for persons with disabilities, located at the Grand Hyatt Tampa Bay. The program was developed in collaboration with Florida's Vocational Rehabilitation Program in an effort to accommodate for persons with special needs and prepare them for entry-level employment in the foodservice industry.

The VR Counselor included the training in Tara's Individual Plan for Employment and agreed to pay the tuition for the program. The Executive Chef saw Tara's potential and offered her a part-time job because there were no full-time positions available. Tara accepted the position and was upgraded to full-time within 6 months.

Over the past 6½ years Tara has been promoted twice and she enjoys all of the benefits of working for a major employer. This includes medical insurance, free meals, free uniform cleaning and free rooms. She also enjoys training and inspiring the new students as they enter the training program. Tara married in 2005 and is the proud mother of a two-year-old daughter. She and her husband recently purchased their first home and Tara continues her employment at the Grand Hyatt Tampa Bay.

Tara has written her own “success story” that began with a meeting with her Transition VR Counselor who simply asked “What do you want to do when you leave high school?” Tara appreciates the assistance from VR and recently stated that she “would not be where she is today without Vocational Rehabilitation helping her and giving her a sense of hope,” and when asked about the benefits of Vocational Rehabilitation, Tara recently replied “VR changed my life forever.”

VR Transition Student—Northwest Iowa School District

Steve Farrell is a 23 year old teacher. Iowa Vocational Rehabilitation Services (IVRS) first became acquainted with Steve as a student at Cedar Falls High School. IVRS services were discussed with Steve and his parents in April of 2000 during his junior year. Referral information outlined disabling conditions that included Learning Disabilities (LD), Attention Deficit Hyperactivity Disorder (ADHD), and speech problems. (He also experienced a bout with depression when his older brother died suddenly in 2002 from drug/steroid abuse.)

Steve was in a resource class for students with learning disabilities throughout school. Because his father was an instructor at Hawkeye Community College, Steve originally planned to attend that school and major in Police Science. He eventually changed his goal and decided he wanted to major in Physical Education and coach.

The Cedar Falls Transition Alliance Program (TAP) became involved with Steve in June of 2000. TAP Coordinator Shirley Fossey arranged for Steve to be employed by Cedar Falls Schools over the summer. She also accompanied him when he entered Upper Iowa (Fayette) in the fall of 2001. Both TAP and IVRS maintained contact with Steve as he progressed through school. TAP facilitated needed accommodations and assisted Steve in learning to advocate for himself. IVRS provided funding to offset tuition costs and paid for tutorial services to help Steve as he pursued obtaining a four-year degree instead of the two-year degree originally planned.

Steve majored in Physical Education (PE), minored in Psychology and Wellness and Fitness, and has a coaching endorsement. He graduated with honors May 6, 2006 and is the first TAP participant to obtain a four-year degree! Steve is currently working as a Physical Education, Health and Geography teacher/coach at Goose Lake, Iowa. He earns \$30,000 a year as an employee of the Northeast Iowa School District. Services Steve received from VR; counseling and guidance services, diagnostic/treatment, academic training/tuition assistance, job referral, placement search and supports, financial and tutorial assistance, and follow-up. Both Steve and his parents are very grateful for the services and supports he’s received over the past six years. Steve’s success is IVRS and TAP’s success and he has given back to both by becoming a motivational speaker to students at Cedar Falls High School, where our relationship first began.

VR and Veterans: Washington State

Matt is a disabled veteran from Washington State. He is a quadriplegic who also has a traumatic brain injury (TBI). Matt spent seven months in a trauma hospital and now receives outpatient support from the VA Hospital in Seattle. Matt was not expected to live after his injury and he was certainly not expected to return to work, be an active father or contributing member of his community. Despite the medical predictions, Matt is a single parent raising his 12 year old daughter, he has returned to school, owns a home and lives independently in his community. Two months ago Matt re-entered the workforce on a part-time basis and plans to return full time when his daughter is older. He volunteers at his daughter’s school and at the VA Hospital where he supports other veterans with disabilities who struggle to regain their independence and their place in American society.

What was the difference for Matt and his family? It was the combination of a great team of caregivers, actively involved family members and a coordinated team approach between the VA system and Public VR that supported Matt’s vision of employment and independence. Family members were actively involved and advocated to pull in experts across systems that supported Matt’s success. Matt has received support from a variety of programs funded under The Rehabilitation Act, including Public VR, independent living supports, advocacy services and the support of qualified staff trained in programs under the Act such as the specialists in neuropsychological evaluation and TBI. This was coupled with the involvement of staff from the VA hospital who continues to support Matt’s ongoing medical and psychological needs. The systems were coordinated, the family was involved, and Matt attained his goals and is working toward a future career. Matt is contributing through his payment of taxes, his role as a father and family member, involvement in his church and supporting the success of other veterans and their families through volunteer work. A coordinated system approach is a proven model of success, for the individual and for America.

VR and Veterans: Alabama

Marine Lance Corporal Corey Webb had been in Iraq for two weeks when he was injured after his unit came under enemy fire. The Springville man sustained a broken collarbone and a leg injury that would later require amputation. When he returned home, Webb tackled his recovery with the “can do” attitude that he had learned as a Marine. He was a bit lost, though, when it came to returning to the workplace. Prior to his deployment, the young man was preparing to begin work as a lineman for Alabama Power Co., but after his injury it was clear he wouldn’t be able to perform the duties of that job.

Despite that, he was determined to work with the company. Alabama Power, a longtime customer of the department’s Employer Services, referred Webb to Alabama VR for assistance in finding a place with the company. Peggy Anderson, the statewide coordinator for employer development, and Kristie Grammer, a rehabilitation counselor and the department’s V.A. liaison in the Birmingham area, worked diligently with Alabama Power to find a position for the young man. He eventually was hired as a dispatcher in the company’s appliance sales division. Within a few months, he departed for the Anniston Army Depot, where he is a property management specialist.

Today, with VRS’ support, the 25-year-old is pursuing a bachelor’s degree at Jacksonville State University. He’s grateful for the assistance he has received through VRS, which he praises for being a “single point of contact.” “It’s so much simpler,” he said. “If I need anything, I know I can call VRS.” The Springville native said VR services are especially valuable to “career military,” who might not be familiar with the intricacies of searching for employment. “A lot of these guys who’ve never done anything but serve in the military don’t know how to find a job,” he said. “They don’t know how to create a resume, set up interviews, or anything related to finding work. VRS gives them the tools they need to get back to work.”

VR: Challenges and Opportunities

Health care and higher education are just two factors driving the cost of providing VR services. As you may know, the Act has a mandatory Cost of Living Adjustment (COLA) that requires the federal government to increase funding for the program annually, but even with that, the COLA has not kept pace with the increased demand for VR services, as well as the faster growing costs of health care and education. The COLA, which is based on the generic Consumer Price Index-Urban (CPIU), was intended to be a floor below which annual appropriations for the VR program could not fall. It was not the intent of Congress at the time the COLA was included that it become a ceiling for appropriations, but in fact that is what has happened.

Further, the employment expectations of people with disabilities have grown tremendously, especially since the passage of the Americans’ with Disabilities Act. Despite the successes of the VR program, it faces an increased demand for services during the daunting challenges of the current economic downturn. Funding shortfalls have resulted in states having to implement an Order of Selection.

The Public Vocational Rehabilitation (VR) program authorized under Title I of the Rehabilitation Act of 1973, as amended, requires a State VR agency to implement an “Order of Selection” (OOS) policy when it anticipates that it will not have sufficient fiscal and/or personnel resources to fully serve all individuals eligible for vocational rehabilitation services. Under an Order of Selection, individuals with the most significant disabilities must be selected first for the provision of VR services.

At the end of FY 2008, 36 State VR Agencies were on an OOS with 35,213 individuals on waiting lists for services. With the already high unemployment rate for people with disabilities expected to grow even faster in today’s difficult economy, we expect that the demand for VR services will grow proportionately.

Congress has acted in other ways to assist people with disabilities become employed. As mentioned earlier, in 1998 Congress passed the Workforce Investment Act that envisioned greater access to generic employment services for people with disabilities. Unfortunately, that promising vision from 10 years ago remains largely unfulfilled today. When WIA was first authorized, it consolidated a number of employment and training programs in an effort to create a seamless service delivery system. The consolidation was accompanied by a significant cut in funding, with additional cuts in funding in subsequent years. As a result, WIA has resulted in a substantial decline in funding available for actual training when compared to its predecessor program. As a result, mandatory partners in WIA, including VR are continually asked to contribute more funding to pay for infrastructure and other costs associated with the operation of the one-stop centers. Partner programs, particularly the Public Vocational Rehabilitation program, are already under-funded to meet the needs of their target populations.

Vocational Rehabilitation customers often require longer-term and more supportive services than the typical WIA customer. Because of the significant disabilities of VR consumers and the complexity and length of services required, CSAVR believes that VR's participation in one-stops and the evaluation of VR's outcomes must be different; taking into account the characteristics of the population VR serves.

Although physical access to one-stop centers has improved since the authorization of the WIA, programmatic access continues to be a significant problem for many VR consumers. The significant majority of centers lack the adaptive technology necessary for consumers with significant disabilities such as blindness and cerebral palsy to access the resources of the one-stops self service centers. Disability navigators were employed by some centers in an effort to assist consumers with disabilities to have better access; however, many of these individuals lacked the level of skills and knowledge necessary to be of any significant benefit. In addition, there were insignificant numbers of navigators to meet the needs.

The federal government spends approximately \$200 billion a year on various types of assistance for individuals with disabilities. Of that, less than \$3 billion is appropriated to address the employment and training needs of individuals with significant disabilities. The Nation's public policy must be directed toward the realization that a significant investment of resources must be in the WIA if people with disabilities are to have real access to the one-stop centers and to the individualized services and supports necessary to increase their independence and their economic self-sufficiency.

Another significant effort by Congress to increase employment among people with disabilities was the Ticket to Work and Work Incentives Improvement Act. The legislation, passed in 1999, created the Ticket to Work program in the Social Security Administration, increased access to healthcare coverage, and provided benefits planning and assistance to social security beneficiaries who want to return to work.

The healthcare and benefits planning provisions have largely been successful at meeting the needs of people with disabilities on SSDI and SSI who want to work. States responded positively to the new Medicaid provisions in the Ticket to Work and many have aggressively implemented those provisions. In addition, we know that the benefits planning provisions have helped thousands of beneficiaries every year navigate the complex array of rules affecting beneficiaries trying to become more independent. However, the Ticket to Work implementation was less than successful in its initial rollout. Despite the promise of new options for employment services for beneficiaries, 90% of tickets were deposited with VR agencies. Further, the initial regulations provided too little financial incentive for employment programs, known in the law as Employment Networks, to participate, and worse, made it impossible for VR agencies and those Employment Networks to function cooperatively. In fact, the first regulations literally put VR agencies and Employment Networks in opposition to each other.

SSA has significantly addressed these issues in new regulations published this year and VR agencies and Employment Networks are hopeful the new regulations will bring success to the Ticket program, but it is still too early to tell.

Also, CSAVR is very excited about the prospects for renewed focus on the issue of employment and people with disabilities that the new administration has promised. The President has stated that his Administration will create a Commission to look at ways to improve employment services, work incentives in SSDI and SSI, and improve further access to healthcare for people with disabilities. We are pleased that the Administration will aggressively pursue the goal of making the federal government a model employer for people with disabilities. We are already seeing success in this area in our work with Federal partners such as the Internal Revenue Service (IRS) and the U.S. Department of Transportation (DOT). CSAVR looks forward to working with the Administration and Congress on these critical efforts for people with disabilities.

We deeply appreciate the bipartisan efforts of both the House and Senate to include \$500 million for Vocational Rehabilitation Services in H.R. 1, the American Recovery and Reinvestment Act. Too many times, programs for people with disabilities are first in line for cuts when the budget is tight and last at the table when the nation's treasury is flush. This funding will allow state VR agencies to clear their waiting lists and meet the inevitable increase in demand for VR services from veterans, youth, and all people with disabilities that will result from these difficult economic times.

VR: Return on Investment

In conclusion, the Public VR program has demonstrated over the years its effectiveness in serving people with disabilities. You have heard the stories in the testi-

mony, but the numbers behind these stories reveal the impact that the Public VR program has in helping people with disabilities find and retain work, reduce dependency on benefits, and help grow the economy.

In 2007 the Public VR program and its partners helped over 200,000 people with disabilities find, return to, or retain employment and VR customers earned over \$3.0 billion in wages, paid \$966 million in federal, state, & local taxes, and generated 36,000 new jobs. In fact, on average every person we help find or retain employment will “pay back” the cost of their rehabilitation services, through taxes, in just two to four years.

In addition, data from the Social Security Administration reveals that for every dollar SSA reimburses VR, means SSA has saved seven dollars in benefits that it would have paid out, a net savings of \$754 million to the Social Security (SSDI) and Supplemental Security Income (SSI) programs.

Again, Mr. Chairman and Members of the Subcommittee, I thank you for the opportunity to speak to you today and I look forward to answering any questions that you may have.

Thank you.

Chairman HINOJOSA. Thank you, Mr. Wooderson.
I now call on Mr. Camp.

**STATEMENT OF BILL CAMP, EXECUTIVE SECRETARY,
SACRAMENTO CENTRAL LABOR COUNCIL, AFL-CIO**

Mr. CAMP. Mr. Chairman and members of this committee, it is a privilege to be here.

Not only are people in the United States watching the decisions that you are making certainly this week and that your committee will make between now and the summer, but the world is waiting to see what the United States will do to respond to this economic crisis.

So, as we think about workforce development, we have to look at it in the context of what is going on economically in our Nation. When we look at it, for all of us, in whatever State you live, it is dire. In California, we have a \$42 billion budget deficit. We have 257,000 jobs lost. We have a crisis. We had 2 million calls a day to our unemployment insurance claims offices, trying to get a response about people’s claims. The system is completely overwhelmed.

So, in a crisis, we have a real opportunity—an opportunity to step back and decide what can we do that is different, what can we learn from what we have done, and what we should take on. And I would like to talk about some of those we have done in Sacramento and in California.

But, first, we must be clear not to throw out the baby with the bath water. We have a labor exchange program, and the research data demonstrates that the public-sector labor exchange job—unemployment system and referral for jobs and counseling, paid for by public dollars, run by the public agency, is the most efficient and effective way to help those who get laid off work.

The Workforce Investment Board needs to focus on training, not try to do the job that is already done better by the employment services divisions funded by the Wagner Peyser Act all over this Nation. It has been a successful program. It should be continued. We should focus our workforce investment energy on how do we develop the best training program for the right jobs that take us into the future.

Let me give you an example, though, of what we have done in Sacramento. Our Employment Development Department has developed an excellent labor market information base. We have been able to take the data of our jobs that are going to be coming open in the near future, those that are growing in our region, what the wages are, how many people are going to be retiring in a given occupation, and be able to give really clear answers to workers about what their potential is.

And we can do this on a regional basis, on a labor market basis, so the workers in San Diego get San Diego data and the workers in Los Angeles get Los Angeles data and the people in Sacramento can get Sacramento data. That is done by our EDD, Employment Services Department. And it is vital, because it says to the Workforce Investment Board, you have to be data-driven. You have to make your decisions based on the accurate information in your region about what jobs are opening up, how much they pay, what kind of training people have to have, and how do we create that training.

Let me give you an example of what I think, though, are some important principles that we have adopted in our Workforce Investment Board. And labor is very active in our board. I run the Labor Council, but I have been a vice president of our board from the day it started. We actually have two vice presidents—a labor vice president and a succession vice president.

But the point is we are engaged. We have a stake in making our Workforce Investment Board successful. So we adopted a policy that at least 40 percent of our dollars that are going for adult and dislocated worker training has to go—40 percent of the money spent has to go to training, that you cannot use the Workforce Investment Board to supplement the cuts in Wagner Peyser that have gone on in the last few years. You have to maintain and mandate a Workforce Investment Board that puts dollars into training.

The second thing is we have to establish what is really a self-sufficiency standard. What does it take to pay the rent, pay the bills, buy the food, and take care of your immediate family on a minimum basis in Los Angeles, in San Diego, in any place in the United States, and target the training towards that standard. And if the training program that we fund doesn't get people to a reasonable income level within a reasonable time that is self-sustaining, we have failed. We have failed the taxpayers, particularly.

We are not here to train people so they can continue to depend on the government for support. We want to train people so they can go out and get their foot on that bottom step of the ladder and move up. So, as a result, we need to establish self-sustaining standards that allows us to do incumbent worker training. When they move up, they create a vacancy down below.

The third thing we have tried to do is to create a career ladder. You think of a career ladder as an apprenticeship program, and if it is producing an increase in wages, then it ought to be honored. But we have developed that concept in the health industry. So we now have jointly run trust programs in health care that create career ladders. If you come in to work for Kaiser or for Catholic Healthcare West as a certified nurse's assistant, you have an op-

portunity to move up and become maybe someday a licensed vocational nurse.

We find that these innovations really make a difference. Fifteen percent of our Workforce Investment Board members have to be appointed by the Labor Council. It creates a partnership between the Chamber of Commerce and the labor movement that is really invaluable, because you have to have that partnership. So when we bring the Chamber, the labor movement, our educational institution, our mandated partners together, we create programs that really increase people's wages.

We look forward to working with you. We have to protect the public sector. We have to make sure we focus on training. We have to make sure that we have a balance between labor and business and the public sector, so that when we look at the formulation of the law, we need to balance out the labor representation of the board. And we have to incorporate an incentive for innovation.

Thank you, sir.

[The statement of Mr. Camp follows:]

**Prepared Statement of Bill Camp, Sacramento Central Labor Council,
AFL-CIO**

Mr. Chairman, members of the subcommittee, thank you for inviting me to testify today on behalf of the ten million members of the AFL-CIO. My name is Bill Camp, and I am Executive Secretary of the Sacramento Central Labor Council in California. I am also a member of the Executive Committee of Sacramento Works, which provides labor exchange and a variety of employment- and training-related services for some 45,000 persons every year. We work extensively with the California Employment Development Department and their innovative labor market information data base that they have developed for the state. Sacramento Works also provides oversight and administration of programs funded by the Workforce Investment Act, including services for youth, dislocated workers, and disadvantaged adults. We operate 12 One-Stop Career Centers in Sacramento County, so I have seen the operation of our nation's employment and training systems up close for many years. In fact, in 1966 I received my BA degree at the University of Oregon which included a minor in the education of disadvantaged youth.

I am also on the Executive Committee of LEED, Linking Education and Economic Development, a non-profit organization composed of key leaders in our community representing labor, private businesses, and the administrators of the school districts, county board of education, community college, and 4 year university serving the Sacramento region.

America's Job Seekers Need an Economic Recovery Plan

Any consideration of innovative and forward-thinking responses to the new economy need to take into account the economic and fiscal conditions that affect everything we do. As we all recognize, the nation is caught in the most severe economic crisis since the Great Depression. Since December 2007, the official beginning of the recession, 3.6 million jobs have been lost across the country. About 21.7 million persons are either unemployed or underemployed, according to the Economic Policy Institute. Jobs in the manufacturing and construction industry are plummeting. Every week it seems that more companies announce mass layoffs and facility closings. The rapid increase in persons applying for Unemployment Insurance benefits has placed severe stress on the UI system—at the same time as 46 states are encountering budget deficits.

The severity of the economic crisis is taking its toll on California and its fiscal situation. The state lost more than 257,000 jobs in 2008, with large reductions in manufacturing, construction, financial services, and educational and health services. In December, California's unemployment rate stood at 9.3 percent—more than two percentage points higher than the December national average. New claims for unemployment benefits increased to about 88,000 in December, compared to about 57,000 a year earlier. Our UI system is being overwhelmed. During the holiday period, the system averaged more than 2 million call attempts every day. When laid off workers call in to try to file a claim, it can take them 20 times to get through. It takes weeks to file a claim.

Because of the economic downturn, the state budget gap between revenues and expenditures will total \$42 billion over the next few years. More than 2,000 state infrastructure projects have been cancelled, threatening the health and livelihoods of Californians. The Governor of California is proposing draconian budget cuts that will slash state spending for education, health care, and human services. In addition, the Governor is ordering the furlough of government staff at the very moment when laid off workers all across the state are in crisis and desperately need their services.

Under these dire economic circumstances, it is more crucial than ever that the U.S. Congress enact an American Recovery and Reinvestment Act that helps the states and puts people to work improving the infrastructure, increasing the production of electricity from renewable energy sources, modernizing our schools, and investing in education and worker training programs. We urge you to finalize that legislation and place it on the President's desk with all possible haste.

Workforce Investment Innovations in California and Sacramento

We recognize the need for innovation and fresh ideas about how to best serve the needs of a diverse population of job seekers. At the same time, it is important to balance the initiation of new programs with reliance upon—and improvements of—established workforce institutions that can rapidly mobilize their public employee ranks to provide necessary services during this time of national economic emergency. In California the center of our workforce development and unemployment insurance system is the dedicated public employees of the Employment Development Department (EDD). In particular, EDD has devoted substantial time and resources toward developing a sophisticated data base of labor market information. That data and the critical analytic work performed by our State EDD is indispensable to identifying growth industries, industry clusters, growth occupations within those sectors and clusters, and wage ranges for those occupations. This knowledge plays a role in effectively directing our state and local resources to respond to the crisis. LMI also supports groundbreaking work in analyzing the emerging green economy and projecting the growth in “green jobs” in multiple industries.

The workforce boards that do their work properly approach their economy and labor-market challenges in a strategic manner, first by asking how resources can be targeted for maximum benefit. The answer must be data driven. The Wagner Peyser funded employment service's labor market information is indispensable for addressing this threshold question.

Unfortunately, the training resources necessary to bring industry partners to the table are scarce. This is due largely to eroding funding levels for WIA at the federal level. It's also due to the WIA's unsustainable support for costly One-Stop Career Centers. The central function of Wagner Peyser funded employment service is labor-exchange, which is an essential low-cost service for connecting jobseekers with employment opportunities. While employment service staff is largely co-located in California One-Stops, the erosion of both Wagner Peyser and WIA title I resources has shifted a significant portion of WIA to supporting One-Stop facilities and activities. That shift has occurred at the expense of training and intensive services. The roles of WIA Title I and employment services must be clearly delineated to ensure that resources are not wasted and that we can maximize training opportunities under WIA. The employment service must be adequately funded to accomplish its central role of public labor exchange and providing labor market information, counseling, case management, and referral to job placement. WIA title I funding must be leveraged by the WIB for building regional high road partnerships and for training and intensive services directed toward high wage growth sectors.

In Sacramento, we have formed partnerships between business, labor and educational institutions to make optimal use of the labor market data and analysis produced by EDD. First, we made an early decision about the fundamental policies and principles that have enabled our workforce investment agencies to identify employment opportunities and move training dollars where they are most needed. Labor has proposed a statewide requirement: that 40 percent of local WIA funds be dedicated to training. This measure would ensure some consistency across a state in which policies vary from one locality to another. Some of our WIBs actually devote as little as 3 percent of their dollars to training, for example, while others have local policies to spend 50 percent on training. This sort of requirement on the level of training should be seriously considered in a reauthorized WIA.

There are still too many WIBs that function on the premise that any job is a good job, that low-wage employment is a better option than unemployment. This position leads to public resources subsidizing recruitment, screening, and placement services for low-wage employers such as Wal-Mart. The workforce board gets credit for place-

ments, but the worker has now made the small step from unemployment to working poor.

In California, even before the recent downturn, workers suffer from significant labor market “churn.” More than 1 million involuntary job separations occur each month. The workforce development system must not contribute to this by placing clients in low-wage high-turnover employment. Those clients end up back in the system seeking additional services. This is a very poor and inefficient use of scarce public resources, not to mention profoundly unjust.

It is good board membership that drives the strategic direction of WIA resources and influences the broader system of training, education, and worker supports. If WIB activities are driven solely by technocratic measures that quantify placements over the quality of outcomes for workers, then it shouldn’t surprise anyone that public resources subsidize low-road employers like Wal-Mart.

In California, state law requires that each board have 15 percent labor representation who are nominated by central labor councils and local building and construction trades councils. Experience in California demonstrates that strong labor representation infuses principles for economic justice, quality services, and a worker-centered approach to workforce and community development. It also connects workers with high-quality apprenticeship programs and other labor-management training partnerships in growth sectors, and to opportunities for employment with high-road employers. This structural engagement by local labor has meant a commitment to ensure the success of the training and employment opportunities of the unemployed in our region. When this broad array of union leaders show a commitment to the results of the Workforce Investment programs, the rest of the labor movement wants to help it be successful.

I recall when the President and CEO of the Sacramento Metropolitan Chamber of Commerce called me on the phone and said he wanted to work with organized labor in fashioning a local board that really prepared the workforce for the high wage, high skill jobs of the Sacramento region. He made it clear that he wanted to be the Board President and I made it clear that I wanted to be the Vice-President of the local board. That took a little constitutional agility since we needed two vice Presidents, one for succession purposes and one to ensure Labor is really engaged in the policy decisions of the agency.

In our first strategic planning session, we drew from EDD information and identified key industries that would include high wage, high skills opportunities as well as industries where Labor had a voice in the workplace. It was a give and take process, but enough opportunities so that everyone stayed engaged in the board’s policy making role.

Our second policy of importance was to ensure that wage and benefit standards had to be met by agencies who provided training or they would not be funded in the future. The board adopted income levels in line with a self-sufficiency standard and uses them as the eligibility criteria for intensive and training services provided at the One-Stop Centers. This policy ensures that unemployed and low-wage workers who work for less than \$10 an hour are eligible for training. As these low wage workers moved up, they opened up opportunities for the unemployed. All the staff in the employment training agency understood that the sustainable wage policy was real. Any program that did not meet the standard might be discussed publicly at a board meeting. The identification of an employer’s financial contribution to health benefits was a part of the wage package and ensured that those employers who provided benefits were on a level playing with those who did not. The self-sufficiency standard is an important part of ensuring that self-sufficiency is a driving force for the one-stop career centers. In a companion policy, the WIB identified the “working poor” as a special population that should receive priority for WIA services and gave a high priority to jobs with employer-paid fringe benefits. In addition to Sacramento, a few other boards in California have adopted self-sufficiency measures and other principles or standards that target WIA resources only to employers that provide good salaries and benefits in sectors with growth potential.

The next policy that pushed employers and trainers to focus on high wage, high skilled jobs was the inclusion of career ladders and “lattices” in the definition of a successful program. An example of a career ladder is an apprenticeship program, but it had to be real in terms of producing wage and benefit increases in order to meet our standards. We found that employers who did not traditionally have apprenticeship programs began to organize jointly administered trust funds where collective bargaining money was invested in training opportunities for lower waged workers to move up the ladder within their own industry. Our health care providers are the best example of this.

Sacramento Works places a high priority on identifying the jobs that are going to be in high demand by employers in the region. The board funded a Sacramento

regional workforce study to identify high wage, high growth critical occupational clusters with career ladders. The board required that the One-Stop Centers spend at least 75 percent of all training funds to train workers for these critical occupational clusters. An analysis of base wage data indicates that customers completing training in critical occupations had a higher retention rate and made an average of \$8,000 more per year than customers receiving only labor exchange services.

The efforts of Sacramento Works to focus on training job seekers for critical occupational clusters has resulted in strong local partnerships over the past eight years. Employers, labor, education, and local government have developed a number of sector initiatives in healthcare, construction, transportation, information technology and clean energy technology. I have attached a list of those partners to this testimony.

One of our most important and unique innovations is called www.careerGPS.com. This data base covers 80 percent of the occupations in the top 75 industry sectors and subsectors that will need to be filled over the next 10 years in the Sacramento Labor Market area. It is accessible to anyone with a computer. It explains what jobs now and in the future will need to be filled, how much they pay, what training is required in order to apply, what training will be required after employment, what will be expected of any employee once they are hired, and the name address and phone number of any training agencies supplying the needs of that occupation as well as the program detail.

Over the last three years, the Sacramento Works board has worked closely with the Partnership for Prosperity, an effort spearheaded by the Sacramento Area Commerce and Trade Organization (SACTO) and the Sacramento Metropolitan Chamber of Commerce. This group has brought together 34 organizations in the region to work together to create an economic development strategy for the Sacramento region. Under the auspices of the Partnership for Prosperity, the Sacramento board partnered with LEED Sacramento to create an action plan focused on identifying the high wage/high growth jobs in the region and collaborating with partners to ensure that workers are trained for these jobs. The result is this unique website, www.careerGPS.com. This website allows job seekers and students in high school and college to navigate the results of the regional workforce forecast to see what jobs are out there and what careers they may pursue. This tool is used by One-Stop Center coaches to assist job seekers in identifying appropriate training providers and will soon be used in high school and community college career centers to assist students in making career choices. This is an invaluable service to dislocated workers in today's economy. As far as I know, there is nothing like this on a regional basis anywhere else in the country.

Sacramento Works is a truly integrated one stop career center system and has over 40 partners, including the State of California, Employment Development Department's Job Service merit staff. Local and state staff work side by side to provide assessment, coaching, labor exchange and training services to customers.

Reforming the Workforce Investment Act

So far I have talked about the accomplishments and positive aspects of the workforce investment system in California—as it has matured and integrated labor representatives into its governance structures and policy approaches. As the U.S. Congress moves toward the reauthorization of the Workforce Investment Act, we urge the federal government to learn from these experiences and take bold action to reform WIA in a manner that will benefit the unemployed, working families, and communities being devastated by the economic crisis.

As we travel around the country, we hear many stories about the failures and limitations of the workforce system from our WIB labor representatives and community organizations. We hear about the temporary agencies that sit on local boards. Participants come into One-Stop Centers, receive core services, and are sent to the same temporary agencies—where they get hired and are counted as placements. They work for a low-wage employer for a few months, the temporary agency receives their fee, and the participants are soon laid off. They go back to the One-Stop Center and go through the process again. In effect, the local WIB has become a revolving door for low-wage employers.

Because of the “work first” approach adopted by WIA, participants are frequently directed into low-wage jobs with little opportunity for advancement. WIA provides too little training and skill development that would enable participants to move into high skill employment that pays family-sustaining wages and provides an opportunity for career advancement. There is growing consensus in the employment and training community that WIA fails to provide sufficient long-term training leading to good jobs. In reports published in 2003, for example, both the National Center

on Education and the Economy (NCEE) and the Brookings Institution recognized this lack of training as a serious deficiency in the system.

The world has changed drastically since WIA was passed more than 10 years ago. WIA was crafted in an environment that favored deregulation, privatization, and the vast growth of private contractors delivering public services. Those policies have brought the nation to where we are today—suffering from an acute economic crisis and a global market meltdown that is spreading across the globe. The crisis calls into question the dominant political wisdom of the last 30 years that the bulk of decision-making about federal programs are best made locally and, if possible, by private sector actors. Instead, workforce policy should establish guiding principles and examine how each level of government and various programs can be harnessed to advance those objectives. Some of those principles include:

- Federal policy should support jobs that pay family-sustaining wages and benefits, and provide the opportunity for career advancement.
- Federal policy should support a strong social safety net for unemployed and underemployed workers, who obtain services from dedicated public servants rather than contractors motivated by private gain.
- Federal policy should be balanced to meet the needs of workers, employers and communities. Policies should also be balanced to meet the needs of low-wage workers and higher wage, high skilled workers.
- Federal agencies should assume a stronger role in developing coherent policies and guiding the implementation of various federal program activities in order to focus limited government resources on important objectives—that are defined nationally—while leaving considerable latitude at the state and local level.

Historically, when the nation is faced with large economic and wartime challenges, we have moved to centralize policy-making authority to achieve important national objectives. WIA needs to be retooled so it can play a meaningful role in responding to the current crisis through the development of comprehensive and uniform policies.

As it is currently structured, WIA has pushed authority far down to the local level without sufficient federal leadership, without ample oversight by the Department of Labor, and without uniform implementation practices. The policies and practices of WIA vary from one WIB to another, creating confusion and inconsistency. As it stands now, WIA is a flawed system that has become so decentralized that it is not up to the task of supporting the job creation and clean energy initiatives we need to lift the nation out of the recession and economic crisis. Still, the AFL-CIO has supported more funding for WIA programs, and we have called upon the U.S. Congress to devote more resources in the American Recovery Plan for dislocated workers, low-income adults, disadvantaged youth, and Reemployment Grants to the States.

In this context, we urge Congress to reform WIA by instituting changes in the following four categories.

First, we need to reassert the role of the public sector in WIA. The center of our nation's workforce development system must be a robust, publicly operated, employment security program that has the resources to provide job matching services, conduct labor market research on the employment implications of new and expanding industries, counsel job seekers, and make referrals to job placement. A 2004 research report by WESTAT—a report that was suppressed by the Department of Labor under the Bush Administration—concluded that the public labor exchange provides “highly effective reemployment services to claimants” and other job seekers. Only a public labor exchange will ensure that services are provided in an equitable manner, free of personal favoritism and conflict of interest.

The public labor exchange must serve as the primary entry point into the system. With plant closings, mass layoffs, and rising unemployment wracking our nation's economy, a strong and uniform system that provides rapid response and operates on a statewide and interstate basis is more crucial than ever. Maintaining a public labor exchange fosters accountability and the equitable provision of services. It has the capacity to achieve statewide and federal policy objectives. To ensure that WIA is responsive to the broad public interest, there should be a requirement that the One-Stop Centers be publicly operated and that full information about their operations be easily accessible and available to the public.

Second, WIA needs to shift its focus toward providing training services. The mandate of WIA to follow a sequence of services has led to a focus on the core, minimal level of services and an underinvestment in training. This orientation has produced a system that tends to support low-road strategies that drive participants into low-wage, dead-end jobs. The sequence of services requirement should be abolished. Operational changes that can help to achieve the goal of fostering good jobs include

a requirement that a minimum—such as 50 percent—of adult and dislocated worker WIA funds be spent on training.

Third, the interests of business and labor must be rebalanced in WIA governance structures. The requirement that a majority of State and local WIBs be representatives of business has created boards that are biased toward the interests of the corporate sector, and tends to create conflicts of interest between the boards and local vendors. This restriction has also had the unintended consequence of creating large and unwieldy boards, a problem that is recognized by labor and the business community. This restraint should be eliminated in a reauthorized WIA.

WIA boards should be reconstituted to provide greater balance among key stakeholders and allow for more organized labor participation. Unions are strong advocates for effective training for good jobs. As I have explained, California now has a legal requirement that 15 percent of its local members be representatives of labor organizations. Such a provision should be considered for adoption for WIA as a whole.

Fourth, WIA should incorporate program innovations in a number of areas, starting with sector partnerships. The AFL-CIO supports challenge grants that would push the WIA system to move in directions that correspond to the actual workings of labor markets and the workforce needs of industry clusters that have been identified by state government agencies and labor market analysis. Governors should have new authority to use WIA resources to develop statewide, industry or regionally based initiatives to supplement local workforce activities in accord with industry and labor market trends. We just caution that care should be taken to ensure that these partnerships are grounded in real conditions, and do not become another layer of bureaucracy with funding demands that are self-perpetuating.

We would also like to see WIA recognize the need for career pathways for youth. We have been working with Senator Patty Murray to refine her “Promoting Innovations to 21st Century Careers Act.” We would encourage the House Education and Labor Committee to begin formulating similar legislation.

Also, we would like to establish a program or initiative in WIA to fund Incumbent Worker Training and career ladders—as long as it includes appropriate protections to ensure that employers do not shift their costs to federal taxpayers. That program should not be limited to persons at particular income levels. And we would see that program coordinated with the work of sectoral partnerships, community colleges, apprenticeships, and labor-management training programs.

In conclusion, the economic crisis has created dramatic new conditions in our country. As the economic crisis unfolded this fall, then-Senator Obama said in a Colorado speech: “What we have seen in the last few days is nothing less than the final verdict on an economic philosophy that has completely failed.” We need strong leadership from the federal level that is not blinded by free market ideology. And we need workforce development policy that is framed as part of a larger industrial policy that would reassert the importance of the public sector, revive our manufacturing economy to supply the component parts for a green economy, change our trade policies to generate American jobs, and pass an American Recovery Plan that can shore up our infrastructure and move toward a sustainable economy.

I’m sure we won’t agree with everything that the President’s Chief of Staff will do in the years ahead. But we did notice Rahm Emmanuel’s comment on “Face the Nation” last November when he said: “Rule One: Never allow a crisis to go to waste. They are opportunities to do big things.” Maybe those “big things” should include funding mechanisms for social programs. The AFL-CIO has called upon the G-20 leaders to explore the feasibility of instituting a fee on all financial transactions. Even a very modest fee could yield revenues of \$100 billion per year. These resources that could be used for economic recovery, or education and training services, or to offset the costs associated with the Wall Street bailout. So I would leave you with that thought.

The AFL-CIO looks forward to working with the subcommittee on the full Education and Labor Committee on these WIA reforms in the year ahead.

ATTACHMENT

Sacramento High Growth High Wage Sector Initiatives

- Transportation: Partnership with Regional Transit, California Labor Federation, International Brotherhood of Electrical Workers, American River College and Sacramento County Office of Education for a Clean Diesel Technology program which retrained bus mechanics in clean diesel and trained new workers for regional construction and transportation employers.

- Transportation: Recruiting, screening and referring job candidates for Siemens' Transportation System, a company manufacturing light rail vehicles. Collaborating with Siemens' and Los Rios Community College district on welding training for selected employees.
- Cost Estimating: Partnership with the Sacramento Builders Exchange to provide incumbent worker and career ladder training in cost estimating
- Construction Trades: Partnership with Sacramento Sierra Building Trades Council, Northern California Construction Training, and Los Rios Community College District to provide pre-apprenticeship construction training.
- Healthcare: Partnership with Kaiser, UC Davis Medical Center, Mercy, and Sutter Hospitals, SEIU and Los Rios Community College District to increase the number of nurses trained in the region and to develop a pre-apprenticeship training program (CNA, LVN, Registered Nurse Career Ladder).
- Clean Energy Technology: Recruiting for students for Community College green technology courses in energy and sustainability, and the design and fabrication of solar projects.
- Clean Energy Technology: Partner in Green Capital Alliance, a regional effort to position Sacramento as the premier region in the nation for high-value, clean technology companies and elevate the region's visibility both nationally and internationally.

Chairman HINOJOSA. Thank you, Mr. Camp. We will make sure that the entire paper that you wrote be made part of the record today.

I call on Ms. Johnson.

**STATEMENT OF SHERRY JOHNSON, ASSOCIATE DIRECTOR,
EMPLOYMENT TRAINING PROGRAMS, TRAIL AREA DEVELOPMENT DISTRICT**

Ms. JOHNSON. Thank you, Mr. Chairman and members of the committee.

I am the WIB director at the Lincoln Trail Area Development District, an eight-county regional economic planning and development agency located approximately 40 miles south of Louisville. I have been employed in this position for 24 years. The region is the birthplace of Abraham Lincoln, whose 200th birthday we celebrate today. And, additionally, it is the home of the Fort Knox Military Installation.

The Workforce Investment Act has provided us with many new tools to provide workforce services to individuals and businesses throughout the region. But there have been many challenges along the way. We would like to take our time here today to discuss some of our challenges and successes in the Lincoln Trail region in Kentucky.

There are several new influences that are changing the regional landscape for many years to come. We have not been immune to the challenges of businesses closing or reducing their workforce. Kentucky is losing manufacturing, primarily in the automotive-related industry, and in retail positions every day. In our region alone, we have lost 1,000 manufacturing and retail positions since July 1st. We are also faced with addressing the needs of 1,000 Federal civilian workers who may choose not to relocate to Fort Benning, Georgia, when the Armor School moves in 2011.

Another challenge will be to recruit, train, retrain, and retain up to 1,800 individuals needed to fill the positions with the two new commands arriving at Fort Knox, the Army Accessions Command and Human Resources Command. And that challenge is now, be-

cause as many as 400 positions will arrive with the Human Resources Command advance party this spring.

The higher educational skills and levels required for these positions presents us with significant challenges. Gone are the days when a high school diploma was a primary entrance to a good job, as is a third- or fourth-generation family member working for the same company.

We are focusing our initial efforts to recruit workers from all across the Nation and even the world to fill these knowledge-based positions. Positions will require, at a minimum, a college degree and, in some cases, highly technical skills to manage the day-to-day operations of both commands.

We literally have the equivalent of two Fortune 500 companies relocating to our region, and we have to make certain that we are able to fill their workforce requirements now and in the future—a future that will require the development of career pathways and pipeline initiatives in our high schools and post-secondary institutions to meet the continuing need for a qualified workforce.

Other regional challenges have been in the health care arena. We partnered with the Elizabethtown Community and Technical College and health care providers to start a respiratory technology program. This effort addressed the immediate shortfall, but we have only scratched the surface. Access to allied health training programs is limited, and waiting lists are the standard of the day. We must continue to invest in developing more access to health care training programs.

We have also invested in an entrepreneurial academy of excellence to stimulate the development of new ideas, innovations, and businesses. In its first year, already over 100 individuals have signed up for the workshops. This is a partnership between our local workforce board, Western Kentucky University, and the Lincoln Trail Innovation and Commercialization Center.

We are also one of 39 WIRED designated regions across the country looking to develop and strengthen our regional economic prosperity. We cover a 26-county, two-State area and are addressing the challenges of educating and training our workforce for the 21st century.

Other communities in Kentucky have developed targeted one-stops and training programs, such as utility alignment and coal mining training, for dislocated workers, youth, and other growing sectors. Increased business services activities and developing strong relationships with local economic development have given us an edge in taking a proactive position instead of just reacting to change.

The current economic conditions are unprecedented, and we must work collectively to address these enormous challenges. Unemployment continues to rise, and the President's stimulus package offers individuals extended benefits, but we also need to focus more attention on retraining workers and developing employment opportunities in small businesses. We need to infuse Federal, State, and local investments into these efforts to get our economy back on track and our workforce back to work.

The challenges we face are daunting but not unique to us alone. Each day brings news of people losing their jobs, and we need to

offer hope. There is a new day dawning in our region, with the BRAC transformation and the spinoffs of new retail, service, and contractor businesses that will follow this growth.

The Workforce Investment Act must not be viewed as a poverty program but as a vital tool in the economic stimulus and recovery of our country. We must have the resources and the funding to address these challenges and opportunities. We must have unprecedented flexibility in our program design and delivery at this critical juncture.

Workforce programs cannot do it alone. Workforce, education, and economic development efforts must unite to address these challenges. Our customers deserve hope, and we must generate that hope through a unified and streamlined delivery system. The challenge is enormous but one that we stand ready to engage, embrace, and successfully execute.

Thank you, Mr. Chairman.

[The statement of Ms. Johnson follows:]

Prepared Statement of Sherry Johnson, Associate Director, Lincoln Trail Area Development District

Thank you Mr. Chairman and members of the Committee for the opportunity to speak before you today. I am the Workforce Investment Board Director for the Employment and Training Department at the Lincoln Trail Area Development District, an eight county regional economic planning and development agency located approximately 40 miles south of Louisville. I have been employed in this position 24 years. The region is the birthplace of Abraham Lincoln, whose 200th birthday we celebrate today. Additionally, it is the home of the Fort Knox Military Installation.

Kentucky was one of the first states to implement the Workforce Investment Act in 1999. We saw it as an opportunity to be on the cutting edge of a new day in workforce training programs. The Act has provided us with many new tools to provide workforce services to individuals and businesses throughout our region, but there have been many challenges along the way. We'd like to use our time here today to discuss some of our challenges and successes in the Lincoln Trail region and the Commonwealth of Kentucky.

There are several influences that are changing the regional landscape for many years to come. We have not been immune to the challenges of businesses closing or reducing their workforce because of the current economic situation in our country. Kentucky is losing manufacturing, primarily in the automotive related industry, and in retail positions every day. In the Lincoln Trail region alone, we have lost 1000 manufacturing and retail positions since July 1st. We are also faced with addressing the needs of 1000 federal civilian workers who may choose not to relocate to Fort Benning, Georgia when the Armor School moves in 2011. Another challenge will be to recruit, train, retrain and retain up to 1800 individuals needed to fill the positions with the two new commands arriving at Fort Knox—the Army's Accessions and Human Resources Command. And that challenge is at the forefront, because as many as 400 positions in the Human Resources Command advance party will be arriving this spring.

The higher educational levels and skill sets required for these positions presents us with significant challenges in the region and the Commonwealth. Gone are the days when a high school diploma was the primary entrance to a good job, as is the 3rd or 4th generation family member working for the same company. We are focusing our initial efforts to recruit workers from across the nation, and even the world, to fill these knowledge-based positions. Positions will require, at a minimum, a college degree—and in some cases, highly technical skills to manage the day-to-day operations of both commands. We literally have the equivalent of two Fortune 500 companies relocating to our region, and we have to make certain that we are able to fill their workforce requirements NOW and in the future, a future that will require the development of career pathways and pipelines initiatives in our high schools and post secondary institutions to meet the continuing need for a qualified workforce.

Other regional challenges have been in the healthcare arena. Several years ago, we were faced with a shortage of respiratory technicians. We partnered with the local community and technical college and local healthcare providers to start a res-

piratory technology training program. This effort addressed the immediate short fall, but we have only scratched the surface in addressing the shortage of healthcare workers. Access to allied health training programs is limited and waiting lists are the standard of the day. We must invest in developing more access to healthcare training programs.

We have also invested workforce funds for an entrepreneurial academy of excellence in order to stimulate the development of new ideas, innovations and businesses. This project is in its first year and, already, over 100 individuals have signed up for the workshops. This is a partnership between our local workforce board, Western Kentucky University, and the Lincoln Trail Innovation and Commercialization Center.

We are also one of the 39 WIRED designated regions across the country looking to develop and strengthen our regional economic prosperity. We cover a 26 county, 2 state area and are addressing the challenges of educating and training our workforce for the 21st century.

Other communities throughout the Commonwealth have developed targeted one-stops and training programs such as utility lineman and coal mining training for dislocated workers, youth, and other growing industry sectors. Increased business services activities and developing strong relationships with local economic development professionals have given us an edge in taking a proactive position, instead of just reacting to change.

The current economic conditions in our country are unprecedented and we must work collectively to address these enormous challenges. Unemployment continues to rise and the President's stimulus package offers individuals extended benefits, but we also need to focus much more attention on retraining workers and developing employment opportunities in small businesses. We need to infuse federal, state and local investments into these efforts to get our economy back on track and our workforce back to work.

The challenges we face in the Lincoln Trail region and Kentucky are daunting but not unique to us alone. Each day brings news of people losing their jobs in the automotive related industry. The retail industry continues to suffer. We need to offer hope. There is a new day dawning in our region with the BRAC transformation at Fort Knox and the spinoffs of new retail, service and contractor businesses that will follow this growth.

The Workforce Investment Act must not be viewed as a "poverty program" but as a vital tool in the economic stimulus and recovery of our country. We must have the resources and funding in place to address these challenges and opportunities. We must have unprecedented flexibility in our program design and delivery at this critical juncture. The Workforce Investment Act programs cannot do it alone. Workforce, education and economic development efforts must unite as one to address these challenges of the workforce system. Our customers deserve hope and we must generate that hope through a unified and streamlined delivery system. Mandated partner agencies must come to the table and actively participate in the one-stop system with their programs, services and funds. The challenge is enormous, but one that we stand ready to engage, embrace and successfully execute.

Chairman HINOJOSA. Thank you, Ms. Johnson.
And now I call on Ms. Elzey.

STATEMENT OF KAREN ELZEY, VICE PRESIDENT, CHAMBER OF COMMERCE, EXECUTIVE DIRECTOR, INSTITUTE FOR A COMPETITIVE WORKFORCE

Ms. ELZEY. Thank you, Chairman Hinojosa, Ranking Member Guthrie, and members of the subcommittee, for the opportunity to present this statement on the important role of the business community in promoting new innovations and best practices under the Workforce Investment Act.

I commend the subcommittee for bringing attention to this important topic. This discussion is particularly timely, given the Nation's economic crisis. It is also important because of the proposed infusion of funds into the WIA system as part of the economic stimulus and the anticipated reauthorization of WIA.

Our challenge is clear: how to use this money to create good jobs that pay good wages. We believe that, while the system has worked in some places, it is desperately in need of reform. With the new infusion of funding and a renewed commitment to creating high-quality, high-wage jobs, now is the time to reform the system.

Despite some of the challenges, we have also witnessed many work local workforce systems that have achieved some success. While the Chamber has not undertaken a comprehensive review of the WIA system, it is evident that some of the most successful local workforce systems have several traits in common.

First, strong business leadership. Simply put, a local workforce system that doesn't have buy-in from the business community will not be successful. A strong business presence drives success. While business leadership is envisioned under WIA by having a business majority on each local board, in reality these boards are often too large and unwieldy to be effective. As a result, many employers don't have the time or the patience to participate.

Second, effective coordination. In some cases, States have made efforts to streamline their own bureaucracies. Others have assisted in branding centers to make it easier for the business community to have a single point of contact. In Arlington, Texas, the Chamber of Commerce and local WIB developed a single resource for employers. This center houses an array of workforce service providers that now operate as a single unit focused on meeting employer and employee needs.

Third, relevant training. Local systems that are effective are ones that reach out to businesses to assess the skills needed by employers and needed for employees. In Omaha, Nebraska, Mutual of Omaha, Blue Cross/Blue Shield, the Greater Omaha Chamber, the local WIB, and others created a unique job training program. Under the initiative, jobs were identified for participants upfront. Training was tailored to meet the skills requirements for the specific jobs. A job coach was assigned to each worker to help ensure success. Of the 19 initial participants in this pilot, all but three landed jobs at area insurance companies. This concept of tailoring training for actual jobs is one in which the Chamber is likely to take an even greater interest as part of WIA reauthorization.

In Louisville, Kentucky, the community used WIA funding to create the KentuckianaWorks Scholars Program. This initiative, supported by the WIB, the Chamber, and elected officials, aims to increase the educational attainment of citizens. Specifically, it helps those who could, with some financial assistance, complete an associate's degree.

Mr. Chairman, while this is by no means an exhaustive list of best practices in the WIA system, the Chamber believes they represent the fundamental areas in which to build upon the system.

Federal job training needs to focus more attention on training people for actual jobs. Under WIA's predecessor, the Job Training Partnership Act, 75 percent of participants were enrolled in training. By 2000, only about half of participants were in training. And, today, just 20 percent of exiting participants were enrolled in training, not including those receiving self-services. In short, the new system must focus more attention funded on training. And, given the limited funding, this training must be maximized to ensure a

far greater percentage of those who are being trained are being trained with the skills that employers need.

We must also consider the fact that too many of our Nation's adults not only lack basic skills necessary for jobs that are disappearing, but that they will be even further behind as our Nation's economy improves. While most sectors of our economy are shrinking, others have continued to expand. Even during the last 3 months, employment in health care and education continued to increase. We must not lose sight for the need of our workforce systems to meet this demand and to prepare people for tomorrow's economic recovery.

As the committee moves forward with WIA reauthorization, the Chamber welcomes the opportunity to work with each of you toward addressing these challenges and ensuring the system is able to meet the needs of our Nation's workforce.

Thank you, Mr. Chairman.

[The statement of Ms. Elzey follows:]

Prepared Statement of Karen R. Elzey, Vice President & Executive Director, Institute for a Competitive Workforce, U.S. Chamber of Commerce

Thank you Chairman Hinojosa, Ranking Member Guthrie, and members of the Subcommittee, for the opportunity to present this statement this afternoon on the important role of the business community in promoting new innovations and best practices under the Workforce Investment Act (WIA).

I commend the Subcommittee for bringing attention to this important topic. This discussion is particularly timely given the nation's economic crisis; the proposed infusion of funds into the WIA system as part of the economic stimulus; as well as the anticipated reauthorization of WIA this Congress.

Indeed, it is not possible to have this discussion without noting the 11.6 million Americans unable to find work. In just the last three months alone, our nation has lost nearly 1.8 million jobs. Unfortunately, by most accounts, these numbers will likely become even more sobering in the months ahead.

The front line of this reality can be seen from coast-to-coast in the one-stop career centers established as part of WIA, which are seeing record increases in those seeking employment and job training services. A recent article in the Ocala Star-Banner highlights a story in Marion County, Florida where demand for services at the local workforce center for the last six months is nearly surpassing demand of the entire previous year.

The economic stimulus proposals in the House and Senate both include over \$4 billion of additional funding for programs under the federal employment system, including WIA, representing a doubling of current federal expenditures in this area. Clearly, these funds would provide much needed capacity to the system during this time. Given this infusion of funds, however, our challenge is clear: how to use this money to create good jobs that pay a good wage for jobs that exist in today's economy? Perhaps the answer lies in our discussion here today about some of the best practices and innovations that are being implemented throughout the nation.

There are many in the business community who question the effectiveness of the current system. Unfortunately, we have heard from our Chamber members across the country that the WIA system has not always been able to meet the needs of many job seekers and employers. We believe that while the system has worked in some places, it is desperately in need of reform. With the new infusion of funding, and a renewed commitment to creating high-quality, high wage jobs—now is the time to reform the system.

In our view, reform starts in Washington. Poor local implementation of these programs often can be directly traced to the current patchwork of programs, rules, and regulations developed here in Washington. For example, despite several decades of attempts to streamline and coordinate multiple federal employment and training programs—the number of targeted programs continues to increase.

The one-stop system put into place last reauthorization was supposed to fix all that—and it has been somewhat of an improvement. Yet, oftentimes conflicting target populations, performance measures, and even governance structures make one-stop nothing more than a co-located maze of disconnected programs. This is particularly true in the area of job search assistance. While the Employment Service

has the primary role of identifying job openings and providing this information to job seekers, federal law also assigns a similar role to the WIA system, welfare, and even food stamp programs in many cases. Such overlap confuses participants and employers alike.

Despite these challenges, we have also witnessed many local workforce investment systems that have tried to make the best of these challenges, and have achieved some success. While the Chamber has not yet undertaken a comprehensive review of the WIA system, it is evident that some of the nation's most successful local workforce investment systems have several traits in common:

1) Strong business leadership: Simply put, a local workforce investment system that doesn't have buy-in from the business community will not be successful; a strong business presence drives success. When businesses turn first to their local one-stop for their workforce needs, the participants going to these centers benefit. Businesses not only facilitate the information flow; they can help leverage other funding. While business leadership is envisioned under WIA by virtue of the business majority on each local board overseeing workforce investment areas—and that the chairs of these boards must represent the business community—in reality, these boards are often too large and unwieldy to be effective. As a result, many of the most active employers at the local level don't have the time or the patience to participate.

2) Effective coordination: Despite the challenges of overlapping federal programs discussed above, there are examples of how local systems have overcome these difficulties and have at least provided a public perception of coordination. In some cases this is helped through state efforts to streamline their own bureaucracies and assisting in branding of centers to make it easier for the business community to have a single point of contact.

For example, in Arlington, Texas, the chamber of commerce and Workforce Solutions for Tarrant County (the local Workforce Board) developed a single resource for employers, the Center for Continuing Education and Workforce Development. The center is a collaborative partnership housing an array of workforce service providers—including the office of the Arlington chamber's workforce development staff—that now operate as a single unit focused on meeting employer and employee needs.

Built on the University of Texas-Arlington campus, the facility incorporates higher education, the publicly funded system, and employers into an integrated model. The chamber's Education and Workforce Development Council employer members meet on a monthly basis to provide center administration with feedback and information related to the needs of the employer community. A valuable by-product of this approach is that by increasing awareness of workforce development issues and resources, council members have become effective advocates of the employer-driven workforce development system for the employer community.

3) Relevant training: While in theory all training under WIA should be relevant and tied to real jobs, this clearly is not always the case. Local systems that are effective are ones that reach out to businesses to assess the skills needed by new employees; are active in gathering local labor market information to help inform training; and are engaged with the local training providers to ensure they have programs which meet the needs of the local economy.

In some cases, local areas have taken this one step further and have implemented truly innovative solutions to ensuring the relevancy of training. One example of this innovation was recently highlighted in the Omaha World Herald. After reports that Omaha had one of the highest rates of poverty among African-Americans in the nation, Mutual of Omaha and Blue Cross Blue Shield, along with other partners including the Greater Omaha Chamber of Commerce and the local workforce investment board, set out to create a unique job training program. Under the initiative, jobs were identified for participants up front after which training was tailored for the participants to meet the skills requirements for the specific jobs. In addition, a job coach was assigned to each worker to help ensure ongoing success. Of the 19 initial participants, all but three landed jobs at area insurance companies. This concept of tailoring training for actual jobs is one in which the Chamber is likely to take an even greater interest as part of the reauthorization of the Workforce Investment Act.

Another innovative approach is occurring in Louisville, Kentucky where the community is striving to raise the educational attainment of its citizens. In 2008 Mayor Jerry Abramson and other leaders announced \$1 million in college funding (using WIA funding) that would be used to help Greater Louisville-area residents finish their associate's degrees through the KentuckianaWorks Scholars Program. The KentuckianaWorks Scholars Program will over 400 people in the 2008-2009 academic year by giving them up to \$3,000 for tuition and up to \$600 for books and

supplies. This program is designed to help those who could, with some financial assistance, complete an associate's degree.

KentuckianaWorks, the local workforce investment board, benchmarks the educational attainment of its citizens with 15 other communities in which it competes for economic development projects. The data showed that Louisville ranked 9th out of the 15 communities for the number of associate's degrees being produced. By setting a goal of educating an additional 400 people to complete their Associate's degree, Louisville could increase its ranking to fifth. The local chamber, Greater Louisville Inc., is a partner in this initiative.

Mr. Chairman, while this is by no means an exhaustive list of best practices and innovation in the WIA system, the Chamber believes they represent the fundamental areas in which to build upon this system as part of the upcoming reauthorization of the Workforce Investment Act.

Finally, Mr. Chairman, let me conclude with this important point: Federal job training needs to focus more attention on training actual people for actual jobs. Now, you might say, that seems pretty self-evident, but let me bring the following statistics to your attention. Despite nearly 2.5 million individuals participating in WIA programs annually, very few actually receive training. In 2006, only 109,528 Adult Program Participants received training and only 77,160 Dislocated Worker Participants received training. (To put this into perspective, there are over 6 million students enrolled in the country's 1,045 community colleges). This reflects a significant decrease in the proportion of WIA funds that support training. Under WIA's predecessor, the Job Training Partnership Act, 75% of participants were enrolled in training. By 2000, only about half of participants were in training, and today just 20% of exiting participants were enrolled in training (not including those receiving self-services).

In short, the new system must focus more attention and funding on training and given the limited funding, this training must be maximized to ensure a far greater percentage of those who are being trained are being trained appropriately and for jobs that actually exist.

While it might be tempting to surmise that given the vast amount of job loss across our nation we need no longer place a priority on training for jobs "that don't exist." However, such conclusions are short-sighted and fail to consider the long-term trends of our economy and the fact that too many of our nation's adults not only lack basic skills necessary for jobs that are disappearing—they will be even further behind as our nation's economy continues to improve.

In fact, while most sectors of our economy are shrinking, others have continued to expand. Even during each of the last three months, as our economy has suffered some of the worst job loss ever, employment in health care and education continued to increase. We must not lose sight for the need of our workforce and training systems to meet this demand as well as the long-term demand in sectors including manufacturing, which despite its continued downturn, also faces a graying workforce—from engineers to welders—signaling trouble in years ahead.

Our nation is also on the verge of embarking on new sectors of employment from the bio-tech fields to health care to jobs that will help keep our nation more energy efficient. These emerging sectors will rely on a broad range of skilled employees—the employees that today's workforce system should be preparing for tomorrow's economic recovery.

As the Committee moves forward with the reauthorization of WIA, the Chamber welcomes the opportunity to work with each of you toward addressing these challenges and ensuring this system is able to meet the needs of our nation's workforce.

Chairman HINOJOSA. Thank you.

I want to thank each of the presenters for your testimony.

At this time, we are going to begin the questions, and the members are going to have an opportunity to get clarification or maybe ask you some questions that were not addressed by any one of you. I now recognize myself for 5 minutes.

Ms. Elzey, you talked about the need for the 21st century and modern, up-to-date, state-of-the-art training. One of your colleagues mentioned that it was difficult to get 40 percent of the Federal money that comes down to your State and for each of the workforce boards to go into training. That tells me that 60 percent is being used by maybe whatever the State takes for administrative costs,

and then the subcontractors have to show a profit, and then there are administration costs.

At the board that you oversee, what percentage would you say is the average that was used in 2007 and 2008 for training after paying all the administrative costs?

Ms. ELZEY. Mr. Chairman, in my position, I don't currently oversee a board, so the statistics that I have quoted in terms of training were those national statistics that looked at what percentage was coming now, in terms of WIA versus JTPA.

From our perspective and our members' perspective, we would like to see the dollars be able to be used more for training individuals for jobs that are currently available and those that employers will be creating in the future.

Chairman HINOJOSA. Let me ask Ms. Gonzalez. You oversee a large group that covers three counties. What would you say is the actual percentage of the Federal money that comes down to your area that is used for training?

Ms. GONZALEZ. Of the \$57 million that we receive and those that flow through the State—those cover eight different funding streams, from food stamps, education and training, to our TANF dollars, to WIA Adult, Youth, and Dislocated—of the \$57 million, between 67 and 70 percent go to direct client services, be that in training, be that in support services.

We, Congressman, have gone from 12 facilities in our community down to six, and soon to be five, because our workforce board's commitment is that that investment, that Federal investment, must go to those that need it, those in need, which are obviously our customers.

Chairman HINOJOSA. Being that you said there were about 28 centers throughout the State of Texas—

Ms. GONZALEZ. Yes, sir.

Chairman HINOJOSA [continuing]. Tell me how does your percentage compare with the average in the State of Texas.

Ms. GONZALEZ. Our percentage compares not very nicely with the rest of the State of Texas. Obviously, in the State of Texas, of the 28 workforce boards, there are regions that are representative of all kinds of issues and sectors in the 28 boards.

Our child care administrative cost is the lowest in the State. We receive \$25 million a year, sir, for child care alone. At any given day, we support 10,000 children in child care. And we are recognized as one of the two lowest child care administrative costs in the State of Texas.

So, to your question, that range varies. And at this time, sir, I do not currently have that information, but I will gladly provide it to you.

Chairman HINOJOSA. What could be done to reduce the administrative costs and increase the amount of money that would go to the client services? What could be done?

Ms. GONZALEZ. From our perspective, we believe strongly in procurement of services. The State of Texas, that is a mandatory process, where workforce services must be procured. It is not just automatically allocated to anybody. So we truly believe in a competitive process.

We also believe that leveraging additional State and private-sector investment dollars into our systems would work. We, at the workforce board, and ours is a best practice, utilize a fee-for-service. If one of our business customers wants to work and requests specialized training, we ask them for investment. That money immediately goes right back into the program.

Chairman HINOJOSA. And what percentage does the employer pay in this leveraged system?

Ms. GONZALEZ. At a minimum, 50 percent. Normally between 60 and 70 percent of the cost the employer puts in.

Chairman HINOJOSA. My time is up.

I yield to Mr. Guthrie.

Mr. GUTHRIE. Thank you, Mr. Chairman.

This question is for Ms. Johnson and some from Ms. Elzey's testimony where it comes from, but I have heard there are more than 40 members on some local workforce boards in Kentucky. And it has been my experience that local boards, which are required to have a business majority, are essential to the workforce development in many States. And it is my understanding there is consensus around the idea of streamlining the State and local boards, and one idea is to remove the requirement that the one-stop-partner programs have a seat on the local boards. This could result in greater representation by local businesses, education officials, community groups and employee representatives who are frequently frustrated that they are not able to connect or access resources from the local boards because of the sheer size.

My question is, what has been your experience with the size and composition of State and local workforce investment boards?

Ms. JOHNSON. Our local board membership is at 45, and I think throughout Kentucky 40-plus is the average. We certainly believe that a business majority is vital and critical to the process because they have the jobs, and we need to solicit input to them so that we understand and we know what the skills are of any industry or business out in our community.

The partners who are represented through our memorandum of understanding and resource-sharing agreements, we would probably agree that possibly the one-stop partners would not need a seat on the board. But the board is not manageable at current size, current level. We would probably suggest that 25 would be the maximum size for an ideal board to get business done, because with 45 members, you are looking at a majority of at least 23 to conduct business, and if you are pulling from a vast regional area, sometimes that is very difficult. So we would definitely support any reduction in the size of boards.

Mr. GUTHRIE. Do you have a suggested size board?

Ms. JOHNSON. Maximum 25.

Mr. GUTHRIE. Maximum 25. Well, there is one more question I have.

Ms. Johnson, again, as you know, there has been a lot of discussion over the last few years about the amount of funding under WIA that has been spent on training. It is my understanding that a number of provisions in the law have contributed to this issue.

For example, the law includes requirements that job seekers participate in the level of service sequentially, or there are other bu-

reaucratic requirements on community colleges where they don't participate or other eligible training providers because of the requirements and lack of support for mandatory partners at many one-stop centers.

What has been your experience with unemployed workers in Kentucky who need specialized training?

Ms. JOHNSON. We think the three levels of service are critical, because not everyone that comes into your one-stop system needs to go into training. Some just need to rework their resume; they need to work on interviewing skills. They might need to do some research as far as what the labor market is and transition those skills.

But we look at both core and intensive as an opportunity to provide a little bit more intensive one-on-one case management service so that that transition to training, if it is needed, is very smooth and includes a plan of action so that person can go from being unemployed, from being laid off or whatever, but they can go back into training and get a job very quickly.

We spend probably 85 percent of our funds on training at this point in time. The rest, 10 percent is admin, and 5 percent is towards the administration of our one-stops. Not all partners are in our one-stops. We have employment services, veterans services, unemployment, vocational rehabilitation in a couple of our centers, but that is it. And partner agencies need to come and provide their services at the centers. I think it is critical. I think it is vital to the people who come seeking our services that they can access them in an easy, efficient and streamlined manner.

Mr. GUTHRIE. Thank you very much. That is very helpful.

I yield back my time.

Chairman HINOJOSA. Thank you.

I now would like to call on the gentleman from New Jersey, Bob Andrews.

Mr. ANDREWS. Thank you, Mr. Chairman. Thank you for re-assuming the leadership of this subcommittee. You have been great to work with, and we know you are going to lead us to an excellent reauthorization in this. Thank you very much.

I thank the panel for their testimony.

When workforce investment boards are at their best, they identify growing areas of a local economy and provide skilled workers for those jobs, and the workers build careers, not just jobs. When they are at their worst, what happens is what Mr. Camp described, which is the world's most expensive revolving door, where we train people for low wage, entry level jobs. They get them for a while, they lose them and come back, or someone else loses their job and comes back. Mr. Camp has suggested a remedy for that, which is a minimum amount of the funds would have to be spent on high quality training for a high quality job.

I would be interested in the panel's opinion, I know Mr. Camp's opinion, he would be for it, but is anyone against that idea? Our chamber would be for that idea?

Ms. ELZEY. I think we are for the idea that local communities look at their local labor markets and identify the needs of employers in those communities to ensure that people get quality jobs.

Mr. ANDREWS. That is not quite what I was asking. I was asking would be, would we have a statutory minimum where at least some percentage, Mr. Camp suggests 40 at his Web, would have to go for what I would call long-term quality training, that might be an associate's degree type thing, rather than a couple of months training, the theory being that that gets the person on a career ladder rather than just a short-term job. Does the chamber have a position on that?

Ms. ELZEY. Not at this time.

Mr. ANDERSON. We would be interested in hearing what you think.

Mr. Bahr, what do you think of that?

Mr. BAHR. Just some experience that I have had in our own union. It is too late to talk about training and retraining once an employer announces a plant is closing. There used to be a time when a high school graduate without skills or a dropout was able to get a job in manufacturing at a family-sustaining wage. We have to recognize those days are gone forever and that to train people to flip hamburgers in the hope that they are going to continue on to get something better I think is not going to happen.

While we still have to concentrate on the math and science, what the high performance workplace has done in this country is to reinvigorate and renew the need for liberal arts. The key to the future, we can't always predict what jobs are going to be needed. You know, it took over 100 years for the Morse Code to be made obsolete, and now if you don't keep up, every 3 years, you are obsolete.

Mr. ANDREWS. Some would argue it is sooner than that.

Mr. BAHR. That is the way technology is moving. So how do we deal with it?

I began to develop this idea when President Clinton appointed me to chair the Commission for a Nation of Lifelong Learners. As much as he and Vice President Gore tried to keep it going down at the local level, we failed. But what we were able to do was identify the obstacles to adult learning, the real obstacles, what keeps people from learning. But more than that, we recognized that since we can't always predict what jobs are going to be available a year, 2 years, 3 years from now, and many employers are fearful of suggesting what may not turn out that way because we are in a global economy, that we have to train our workforce to be able to react quickly to the changes in technology. And the way you do that is with higher education.

You know, if you look at the jurisdiction of this committee, change the commas—

Mr. ANDREWS. Which is far too narrow, don't you agree?

Mr. BAHR. Drop the commas and say higher education plus lifelong learning equals competitiveness.

Mr. ANDREWS. I will tell you one of the things that our chairman I think heard that and was able to negotiate in the stimulus bill, which I know will enjoy broad support on the committee, is a substantial increase in the lifelong learning credit, which came out of the Clinton administration, so more people can get more dollars and go to school. Also the stimulus bill has in it a significant increase in Title I funding, a significant increase in IDEA funding, and a special new account for distressed States, which is really all

of them now, to try to get at this problem long before someone goes into the workforce. So our chairman was quite vigorous in his advocacy of those positions.

Mr. BAHR. There is another aspect we have to look at. About 50 to 60 percent, if not higher, of the people in the workforce today, are the workforce of 2020. That includes the undereducated part of the workforce. We can't just write them off. Now, they are all working, and what we found out in the telecommunications industry, maybe because these companies had money and were able to do what we wanted to do, that we made the strides we did. But with the encouragement where there is a union, of the union and the employer, people who never thought about going on to higher education will do so.

Just as an example in the role that government plays, employer-furnished education is taxable income, and Congress passes legislation, and it used to be, prior to 1994, Rostenkowski would hold it every 2 years and renew it automatically, nobody paid attention.

Well, in 1994, when the power changed in the House, just because nobody did anything, it lapsed. At that time, in U.S. West, which is today Quest Communications, we had 17 percent of the workforce enrolled in college-level work. When the tax came out of their paychecks when the law lapsed, it dropped immediately to 7 percent.

So there are two things, and this we managed to get working in both parties into the Bush tax cut bill which expires in 2010, and we have to keep on the front burner to get that renewed next year or the same thing will happen.

Mr. ANDREWS. I see my time has expired. Thank you very much, Mr. Chairman.

I appreciate Mr. Bahr's point that we should have the Ways and Means Committee give us all of their jurisdiction. I completely agree with that.

Chairman HINOJOSA. I can say that anybody who wants to give additional answers to that may do it in writing, and we will see that the Members of Congress get that.

I would like to now call on someone who is very special to me. He was one of my mentors when I got here back in 1996. He was on the Education Committee and was chairman of this particular committee, and I want to call on Congressman McKeon from California.

Mr. MCKEON. Thank you very much, Mr. Chairman, and thank you for the kind words. I am an old guy. I have been around here a long time, is what he was saying in a nice way.

Mr. Camp, in your written testimony, you state that the current economic crisis calls into question the dominant political wisdom of the last 30 years that the bulk of decision-making about Federal programs are best made locally. I was one of the principal authors of WIA back in—well, we did in 1996, and we did it again in 1998 when it became law. But one of the things that I have championed my whole time here is local control.

I served on a local school board. I served on a local city council and as mayor. And I just firmly believe that the closer you can get to the people who are involved, the better the decision. I think at

a Federal level we should probably deal more in principles, not in details down to the local level.

Did I misunderstand your point in that? Do you think that the bulk of decisions impacting local decisions should be made by the Federal Government, and why do you believe that a one-size-fits-all system would be better?

Mr. CAMP. Mr. McKeon, you are a man I have a lot of respect for and we have talked about various issues in the past. But let me be clear about my point.

In the State of California, among the workforce investment boards, some spend zero percent on training, and some spend 50 percent. If we are not going to be training workers for the future, the Workforce Investment Act is failing the Nation.

Now, do I believe in local control? Absolutely. I was a local school board member for 5 years. I ranted and raved against those guys telling us what to do when we thought we knew what was best. But you have to have serious guidelines. And the problem we have got now is we are all over the map. And when you go and look at all the workforce investment boards, and I share a point of view with the Chamber of Commerce, there is a huge disparity in what people do with a workforce investment board.

We need to have clear expectations, and I think one of the most firm expectations is we have to set a standard about training. Because I have got workforce investment boards in California that place zero percent in training.

Now, I think the other problem we have got is we have to be clear about what we think training is, because I have got people that says training is where I sat down and taught them how to make a phone call, and I don't think that is what I am thinking training is.

But, on the other hand, there are some smart things that we have learned about training. And I will admit I was wrong when we first started this in Sacramento, where the Chamber of Commerce did a big survey of our employers and said, what are you looking for? What do you want workers to know? And they all came back with what I would call soft skills. And I was one of the labor guys saying, what is this soft skills? This is just hogwash. And that is not true.

Our Los Rios Community College district designed a course which I think we ought to have every union person take. It was talking about joint decision-making. It was talking about independence. That was local control. But it was sophisticated local control, because we could demonstrate to you how much increase in salary people were going to make as a result of a successful completion of that course, because we could verify and validate to every member of the business community that when somebody graduated from that class, they had, I am not quite sure of the status, the acknowledgment of the Los Rios Community College district, of approval, Good Housekeeping Award I guess, in terms of soft skills. Those are important, and we developed that class so that, and I give credit to the community college that developed that class so that it was effective.

Now, I absolutely believe in local control. I take pride the fact that what the mix of jobs and skills that we need in Sacramento

is not what you need in New Jersey. So we need that sense of control. But we don't need to appropriate money for workforce investment and not require there be money in training. That is the concern I have got.

Mr. MCKEON. That was definitely not the intention.

Mr. CAMP. Well, I am not walking away from my fight that says there is a role that the public sector employees play in what we call the employment development department. They process the unemployment insurance claims. They should be doing something of that, not easy, that counseling job referral work. And we should take our workforce investment board, which is where the business community and the labor community come together, with the educational community, and say, what are the training needs that will make us the best region, that we will do better than San Diego or wherever.

Mr. MCKEON. You should be a Senator. Great job.

But I would like to hear Ms. Johnson reply to that same question, if the chairman would indulge me.

Chairman HINOJOSA. I will give you 30 seconds.

Ms. JOHNSON. Very briefly, every individual in our region that goes into training, goes into training for a high demand occupation within our labor market and our broader wired region. Pure and simple. There is no use of us putting people into training where it is a dead end situation. We make them do homework. We do our homework. We continue to look at the labor market on a daily basis. And if we don't, we are not doing that customer justice. Training needs to be the a the local level.

Mr. MCKEON. Sounds like we are in agreement. There are a few details we could chew on, but thank you very much.

Chairman HINOJOSA. I would like to now call on the gentleman from Massachusetts, Mr. John Tierney.

Mr. TIERNEY. Thank you, Mr. Chairman. Let me thank you for putting special focus and priority on this particular issue at the outset of this session. I look forward to working with you on this, because I think you have hit it right on the head in these days, trying times. People need to have some security of knowing how they are going to get back into the labor force.

Let me ask our panel members who are parts of the workforce investment board system on this. What are we going to do to entice people in emerging industries or sectors, whether it is energy efficiency, energy alternatives, nano science, things of that nature, to get on the boards? I see the most local boards are the local banker, your local insurance person, people that are terrific people and the ones that generally give up their time on that, but they are not always from the industry that is creating the new jobs. I think we need their expertise on those boards to help us identify what skills and education levels we need to get out there. So if I could quickly get an answer on that?

Ms. GONZALEZ. Thank you for the opportunity. I will say, from our perspective, it has been very difficult to encourage more so because of the credibility or lack thereof of this system, if you will. What we have found is that we have encouraged the successful business partners of ours and the successful board members who represent the private sector to be our ambassadors.

The other thing that we have done is that, if an emerging industry is in our community and we engage this business, this company, this partner, one of the requests that we make is that they participate in what we call our industry sector task forces so they become familiar. It is almost like desensitizing them to the government.

Mr. TIERNEY. So instead of directly putting them on the board, you put them on a task force and try to woo them in?

Ms. GONZALEZ. And move them in.

Mr. TIERNEY. Ms. Johnson, what do you do?

Ms. JOHNSON. We have been trying to focus on working with our economic development professionals so that they can engage the emerging sectors in their region. We have also started working with entrepreneurs. We think that that is an avenue for us to continue to grow and to look at emerging sectors down the line.

Mr. TIERNEY. Are we doing enough? We have had a couple of good examples. One is reflected in the Green Jobs Act, which I had the privilege of authoring with Hilda Solis, our new Secretary of Labor. Another is a group called E-Team in Massachusetts, where we formed partnerships. Are we doing enough to encourage partnerships of a particular industry or company, community college or other educational institution, private industry, the business community and labor, to have a consortium to come in and get a grant to actually put together a program, and then part of the contribution from the business end, of course, can be either faculty or some other contribution towards teaching the courses or money on that.

Do you think the current act does enough on that, or would you like to see something else done to try to encourage that kind of cooperation?

Ms. JOHNSON. I think that is an excellent idea. And the more flexibility that we have to develop partnership relationships to meet the needs of both individuals and businesses, the better we are. We can be more responsive in a more timely manner.

Mr. TIERNEY. Thank you.

Mr. CAMP, do you want to speak?

Mr. CAMP. Mr. Tierney, on our workforce investment board, we go out and do a survey of all of our green energy upstart companies. So we sit down with the CEOs and say, what are you looking for? We get them in a roundtable. And we don't take long, but get them in a room with six or eight of them and a facilitator and just talk about what their needs are. So we bring that back to the workforce investment board and say, you know, we have got eight people or eight different groups and said this is really what we want to kick start our solar energy program, and these are the kind of skills we are looking for and what our next level is.

Because the critical issue for us is if, I am going to kick start a green energy program, I need to make sure I am responding to what they need today, not what I imagine they may need 10 years from now or next year or 2 years from now. But they are in a vulnerable position. They have got to have a responsive work preparation. So we do that. We come back. We have a very small pot of money that allows us to do innovation, and that is one of the key areas.

Mr. TIERNEY. If I could quickly go from my right to your left on the board here, does anybody see any reason why we cannot device a Workforce Investment Act bill that also incorporates the transitional assistance aspect so that we have one channel? If you are unemployed for any reason at all, we can address your need as opposed to having two different programs of that nature. If I start to my right, yes or no?

Ms. ELZEY. We have no problem with that.

Ms. JOHNSON. No problem.

Mr. CAMP. Are we talking about private industry doing this or talking about the public sector?

Mr. TIERNEY. We are talking about getting it done within one silo instead of several silos here.

Mr. CAMP. Well, filing new claims and processing those claims and getting people back out from a regular traditional labor exchange program, I think it has got to be public sector just because that is the most efficient way to deliver that, and this it is the least conflict of interest problem. We have got people and I—

Mr. TIERNEY. That wasn't really the focus of the question. It is basically, is there a need in your mind that we have a Transitional Assistance Program in one silo and other workforce investment program in other silos?

Mr. CAMP. I guess I don't have trouble with it. I have to think about it. I will respond to you.

Mr. WOODERSON. Mr. Tierney, from a disability community standpoint, I don't believe there would be any challenge for us there at all.

Mr. TIERNEY. Thank you. Mr. Bahr?

Mr. BAHR. Our committee recommends a single. I would also suggest that we ought to be looking for some adult ed people on the boards.

Ms. GONZALEZ. I absolutely do that. And we do have adult ed representatives on our board.

Mr. TIERNEY. I wish we had more time to get into the literacy aspect of this, but I am glad it is part of this discussion, and I am sure we will get into it later.

Thank you, again, Mr. Chairman.

Chairman HINOJOSA. At this time, I would like to call on the gentlewoman from California, Susan Davis.

Mrs. DAVIS. Thank you, Mr. Chairman, and thank you all for being here. Nice to see you Mr. Camp after the California legislative days.

I wanted to go back for just a second and check and see if there is anything that has been said in terms of the percentage that would go towards training. It is a little out of sync with what programs you do. I know that Mr. Camp mentioned at least 40 percent. We have had mention of greater than that.

Is there any problem particularly with calling that out as we move forward? Is there anything in that that didn't jive with something you work with?

Mr. CAMP. I think the key is making sure we have a good clear definition of training, because people will report as training something that you and I may not think about, preparing people for high-wage jobs. And I do think it is important to have a minimum,

I didn't say a maximum, but a minimum that has to be spent on that kind of training. I think we are missing the boat if we let the local—as much as I honor the local decision-making, you have to put some guidelines on what we expect to come out of this money.

Mrs. DAVIS. Thank you.

Anything else?

Ms. GONZALEZ. I think, from my perspective or from our perspective, it is important that the training not only be clearly defined but that the training be tied to an absolute outcome. It is not good enough to have somebody sitting in a chair for the next month or 2 or 6, or 2 years or 6 years for that matter. It is clearly important that the training result in some type of credential or outcome.

Mrs. DAVIS. Thank you. And when we talk about that, we are usually thinking of career paths that people will be able to move in. Let me ask you about this example in the health field. People caring for Alzheimer's patients, for example.

I recall in San Diego there was a question of whether the salaries, the incoming salaries, were high enough to receive some of the workforce investment dollars at one point. I suspect this was worked out along the way.

Are there areas where actually the employer does fall short and yet is in a high need area that should be addressed as we move forward? Are there exceptions within that? Certainly you talked about the self-sufficiency, the high demand jobs. We are not talking about 100 percent. So there is an area in health care. But is there a problem with that, and what would there be perhaps that you want to just caution us about?

Mr. CAMP. I would just caution you to establish a requirement that there be a sustainable wage, because what that allows the workforce local board to make decisions about, and in fact frees up this local decision-making issue, is to train people to move up and have their spot taken by somebody at a lower wage.

We use EED data to determine what the wage rate, the income of that worker is 18 months down the road, and we talk about that at our board saying if you didn't meet the \$12 an hour, don't fund this training program, because they are not meeting a sustainable wage.

Now, do I think there is a magic self-sustaining number I can give you today? It is going to vary in each county, because what the rent and utilities are in one area is different than another. But there is data for every single county in the United States. So you can obtain good, hard data about what it takes to have a sustained, independent income, and then target that so it allows the workforce investment board to expand who it is providing an upgrade training to. And I think that creates the incentive for careers, or what we sometimes call ladders or sometimes call lattices. You may start out working for a nursing home and go to a hospital and go back to a local clinic, but you are still within that field and working your way up.

Mrs. DAVIS. Great. Thank you.

I actually had a question, I wanted to go to Mr. Wooderson really briefly in terms of the veterans programs you mentioned in particular, and how we can better coordinate that. Are there some suggestions? But is there something about all that that just makes you

all crazy in terms of trying to adhere to both the letter and the spirit? What is it we should be thinking about?

Mr. WOODERSON. From the disability community standpoint, of course, title IV of the Workforce Investment Act is our rehabilitation agency. Probably the thing that challenges us the most is not so much physical access anymore to workforce one-stop centers. That seems to be improving across the country. We are greatly appreciative of that.

What is really a challenge for us is programmatic access in the sense particularly for our consumers with sensory disabilities, visual disabilities, hearing disabilities, accessing the programs. So as we talk about the programs that we all serve through WIA, one of the things that really does drive us crazy, using your terms, if I may, is being able to access those in a way that is equally available for folks with disabilities just like anybody else that does not experience a disability.

Mrs. DAVIS. Thank you.

Anybody else very quickly that wants to weigh in on something that really makes you crazy that we should be thinking about?

Thank you, Mr. Chairman.

Chairman HINOJOSA. At this time, I would like to call on the gentleman from Colorado, Jared Polis.

Mr. POLIS. Thank you, Mr. Chair.

And thank you to all of you who help inform our process as we take on the very important task of hopefully leading to the reauthorization of and improvement in WIA.

I have a few sets of questions. My constituents in Colorado care a lot about green jobs. In fact, 3 weeks ago, the Boulder-based American Solar Energy Society released a report that said renewable energy and energy efficiency industries represent more than 9 million jobs as of 2007. The renewable energy industry grew three times as fast as the U.S. economy with the solar, thermal, photovoltaic, biodiesel and ethanol sectors leading the way, each with 25 percent-plus in annual growth.

In my district alone, there are currently 2,405 green jobs, according to a survey, and according to the U.S. Conference of Mayors over the next two decades there could be 19,003 more jobs created in my district. Rather excitingly, more than \$5 billion in venture capital was invested in clean energy technology industries in 2007, which represents one-fifth of all venture capital investment in North America and Europe.

President Obama focused much of his campaign on a new energy plan for America that would help create five million new jobs by strategically investing \$150 billion over the next 10 years to catalyze private efforts to building clean energy in the future.

My question in this area for you both relates to green jobs as well as, more generally, what is being done or what should be done and can be done to effectively track the types of jobs that we are building capacity in and training people in to match the future needs of the economy and the workforce?

To a certain extent, if we are training for just where there is demand today, we will always be chasing the present time. We need to prepare. When you are investing in education and investing in preparing somebody, even if they are 30 or 40 years old, they are

preparing for a 20-year career, 30-year career. If they are younger, it is even a longer career.

So if any of you would care to address ideas about ways we can track the best estimates and scientific analysis of the future needs of the workforce to building capacity in our programs today?

Mr. CAMP. Well, Mr. Polis, one of the ways we do that in Sacramento is by creating what we call a jointly administered apprenticeship program. Let's take solar installations. So when the employer has 50 percent of the votes about who gets hired to teach the program, they are going to make damn sure that the right skills and insight and level of sophistication is obtained before they are going to hire somebody to do the job. The other half of the vote is held by the union, who wants to make sure it is somebody that is good at teaching these particular workers.

So you end up with a program that is good at teaching the workforce, but is also cutting edge, because that is the only way you are going to compete in an emerging industry like solar installation. And that is going to change. There is no question about putting in tiles instead of panels will sweep through at some point, or maybe some other innovation, and the question is, do we have an established program in which the employer has the authority to dictate what the subject matter is.

So we find that our jointly run programs provide us with that, and we are transferring doing that in medical care. Now, as medical care changes, it is not so much on target with regard to green energy, although there is a lot of need for green energy in the hospital system. So as we develop new jobs in the medical delivery system, there is a jointly run program that drives both the quality of the teaching and the quality of the technical knowledge that has to be obtained. I think that is the best system we have designed so far.

Ms. GONZALEZ. Mr. Polis, if I may, what you are really speaking to here is an issue of what we would call a business intelligence system that finds a way to meld both worker, worker information, worker skills, as well as business needs. Not only for today, but what kind of business need might I have, whether it be in a green job or any other for that matter, tomorrow, 5 years and 10 years down the road.

Earlier we spoke to the point of career pathways and local control. The issue here is, how do we identify transferable, transportable skill sets that can then be matched not only to one particular sector, but to others? The Federal Department of Labor does not have a system, this is my understanding, does not have a true system in which they manage that kind of data nationally. So if you are speaking about a true business intelligence system where both the consumer, being the folks that use our end product, as well as our folks that we are training could learn, could access, could gather information from, that does not exist.

The State of Texas has something that we have been working on called the WIT, Workforce Information System, and then some of us on different boards have developed our own business intelligence systems using a CRM model, a customer relations model.

But nationally, sir, there is no database, and I am looking at my partners here on the panel, that identifies or that can meld, if you

will, worker skill sets for each individual area as well as business needs.

Chairman HINOJOSA. The time has expired.

I would like to at this time recognize the gentlewoman from Hawaii, Mazie Hirono.

Ms. HIRONO. Thank you, Mr. Chairman.

I thank Ms. Gonzalez. You really expressed that really well because we are in an environment now where the future workforce needs are changing. It doesn't make a lot of sense to me that we would be spending money to train people for very specific kinds of jobs that are not going to exist, so the interchangeability of skills, all of that I think is really important.

Then Mr. Bahr, you talked about lifelong learning. I do think at the foundation of a lot of this is we need a trained workforce that begins to have the opportunity to have appropriate educational opportunities at a very young age, because as things are changing. If they have had the opportunity, for example, for a quality early education, that really sets the stage for success in school and in life. I think that is something that we ought to be looking at, and I am a big proponent of quality early education and the whole continuum of preparing our people for not just work but for success in life.

I have had some experience with WIA money that came to Hawaii. I sat on a panel or a board for like a year or two, and I really was confused as to what they were doing, because there didn't seem to be any blueprint, standards. Some of you mentioned that. There didn't seem to be a way for us to report out. Then the big concern was what happens when the Federal grant money ends and this all comes to a screeching halt. So at the State level where all this money is going, and it is all supposed to be handled there, I really had serious questions about it. And to be sitting here at this end and listening to you, I see that that concern has still not been addressed.

So this is a chunk of money. I am looking at over \$5 billion that goes in every fiscal year for WIA programs. I think we need some help from you all as to how it is that we get a handle on the reporting, the accountability, some kind of standard. Is that what we need to start with? Something that that provides a uniform way for States to figure out what they should be doing with this money, because otherwise it is just money down the drain.

Anybody care to respond?

Mr. CAMP. What we use is the EDD data about their income, 6, 12 and 18 months down the road. So if a worker comes in and gets training and is getting \$8,000 a year more in income a year from now, something good happened, and we will take the credit for it. If the worker is not showing that kind of an increase, then let's don't do that anymore. Let's go to that service provider and say, your training program was no good, and we have had to do that.

I think there is another issue, though, that I thought you were raising, which is, how do we prepare people for work at an earlier age? And what we have done is something that I believe is unique in Sacramento, that we call Careers GPS—we use the GPS out of the geographical positioning system—in which we have identified for the 75 largest industrial sectors 80 percent of all the jobs that

are going to be created in the next 10 years. And in fact, we can predict a lot of those jobs.

Maybe I can't tell you exactly, but I can tell you for a six-county area how many engineers we are going to need pretty close, enough so it can give somebody some good guidance. So we have developed a computer base that, for our labor market area, what kind of training you have to have to apply for this job, the name, address and phone number for the person that provides it, how much money you are going to make when you get the job, what you are expected to do when you show up for work, and what kind of training you are going to get once you have been hired. So we want to drive this down into the seventh grade, as low as the seventh grade level, and I assuming the seventh graders can use computers better than an old guy like me, but we also make it available to all of our work-stop centers, all of our laid-off workers. Because what we want to do is be able to say to people, if you live within 50 miles of this center, here is what is going to happen over the next 10 years. If you are thinking you are going to be a professional basketball player, and there is only be going to be 12, you better get a back-up. That is what the purpose of that is.

Ms. HIRONO. Yeah, I was getting at really preparing people very early on. It is not just for jobs. It is really attitudinal. It is that whole developmental part of an individual that we have to pay attention to, and as far as I am concerned, it starts in preschool and even before that. And I would like to see a lot more recognition of the importance of those foundational resources that we provide really early on as a way for us to prepare people for working and life. And by the time you all get these people that need retraining, maybe they will have a much better foundation on which you can train them. So that was my point. I think you all seem to be agreeing that that is important.

Thank you, Mr. Chairman.

Chairman HINOJOSA. Thank you.

At this time I would like to recognize the gentleman from Connecticut, Joe Courtney.

Mr. COURTNEY. Thank you, Mr. Chairman. Again, I think the timing of this hearing could not be more critical, with the economic crisis we are going through and a vote to take place within hours in terms of the programs that these people are connected with.

I want to compliment the chamber for stepping up and supporting the President in support of H.R. 1, because these programs obviously are desperately shorthanded.

I was at the Connecticut WIA offices the last week or two. You really did sort of get the feeling you are at a Katrina-level event in these unemployment offices and these one-stop offices with the volume that is sort of coming through. Again, they do a very good job of trying, as Ms. Elzey indicated, to tailor their training programs to what is going on out there in the Connecticut economy. But it does kind of feel like the moorings are coming loose with the storm that is out there right now.

Mr. Bahr, I was wandering if you could, with a little bit of perspective having been at this awhile and seeing past recessions, just sort of give your sort of perspective about where we are right now, and really, are these programs that I think are sort of designed for

a normal business cycle going to be overtaxed and overwhelmed by an economy that has lost almost 4 million jobs in the last 13 months, and it doesn't seem like there is any light at the end of the tunnel right now?

Mr. BAHR. It is one thing to talk about what we have to do with public education, and we need to do. If we look at 1983, the Nation at Risk told us if we don't fix our public education system, we will not be able to compete globally. Now it is 25 years later, we have fallen further behind. So what you have said about working with the young people today and fixing public education so that when they go through high school they have a direction, that does not deal with today's problem and the problem of the next 10 years.

President Obama hopes, and we all hope, that H.R. 1 is going to produce somewhere between 3 and 4 million jobs. Are we sure that we have trained workers to fill some of those jobs that hopefully will come out of the stimulus bill and the high-tech end? I am not so sure.

As I said earlier, a majority of the workforce in 2020 is already employed, and as the Baby Boomers start to leave and you still have part of this 88 million undereducated, the majority of the workforce would continue to grow with an average under-educated workforce.

Now, adult ed has to be looked at as the third leg of the process, and we specifically call for it to be spoken about as adult education and skills development. They are one and the same. It is my experience that virtually every worker can be trained to do higher skilled work. They have got to be encouraged. All the systems have to be in place. There has to be a total collaboration at the local level with the city or county between business and labor. The community colleges play an enormous role, and there is no substitute, in my judgment—when I go back, what the charge to the Commission for Lifelong Learning was, how do we change the culture of our Nation from K-12 to lifelong learning?

As true as it was 10 years ago, and President Clinton put it, I think it was the 1999 State of the Union message, he addressed this, the more people we have educated in the arts will be the more people that have the flexibility to deal with oncoming technology, to deal with the high-performance workplace.

We are not going to be successful with a low-skill/low-wage economy. A solution and our only salvation is a high-skill/high-wage economy, and all of our education facilities have to be directed in that line. And I think we have the capability to do it. I am amazed with the work that our commission did over 2 years.

It is kind of interesting, you look at so many commissions—I served on them—adult ed became a footnote. I was on the Commission for the Upgrade of the Skills of the American Workforce. You look at the great report we put out in 2007. It dealt 90 percent with the people that you are talking about at the lower education level. It only dealt with 10 percent of the people in the workforce today. So it was Ray Marshall, former Secretary of Labor, at the very first meeting of this commission that said we have to make sure that we are not a footnote, but that we are zeroing in on adult education and what has to be done to reach these vast numbers. The numbers are not going to get better. We are only reaching 3

million a year, and if half of that are dropouts from high school, it is like being on a treadmill going nowhere.

Chairman HINOJOSA. The gentleman's time has expired.

I would like to now call on the gentlewoman from Nevada, Dina Titus.

Ms. TITUS. Thank you, Mr. Chairman.

Members of the panel, I would like to address my question to Mr. Wooderson. As you can tell by the attention you have received on today's hearing, often the programs for the disabled get the short end of the stick. We have stuck it out though, so I could ask you this question.

The statistics that you mentioned about the unemployment rates for the disabled are just striking. They are shameful really, but they are striking. And we know that a lot of people on those lists really want to go to work, and they could be successful if they were given the opportunity.

I think that the waiting lists that are there now reflect that desire. They are long to start with, and they are going to get even longer, partly due to the Americans with Disabilities Act that focuses on immersion in the community as opposed to institutionalization, and also because now there is so much more competition from people who are unemployed who don't have disabilities. And we know how those prejudices work.

I want to add to your list of accomplishments a program in Nevada called Opportunity Village. It is a program that is a public-private partnership. It is funded by all different levels of government. It has a very successful campaign going with big billboards with a little piece of paper that says, which one was shredded by the disabled person? And that kind of says it all. I think that is important.

We know these programs work. You mentioned that they pay for themselves. They put more money on the tax roll. They get more people off of public assistance.

What can we do better? Think outside the box. Besides just money, is it online courses? Is it better incentives for business to participate? What can we do to make these programs fill the increasing need?

Mr. WOODERSON. Well, thank you, Ms. Titus, for the acknowledgment, first of all, of the program. Specifically in the public VR program, in the last couple of years, we really have emphasized trying to link across State lines, because we have been working in silos for so long. The Council of State Administrators initiated a program that we call The Net where we are linking employers that have representation in a number of States providing them with information about the value added of employing individuals with disabilities, and we are seeing great success with that. It is in pockets around the country. We have actually been able to work with the Federal Government, been seeing a great response from like the Internal Revenue Service. We are working with companies like Walgreens, Safeway; companies that have an existence all over.

So if we can continue that type of new initiatives to inform employers first of all that we do have people that can work, they want to go to work, we can include them in understanding that we can access services across State lines, I believe that is one of the big-

gest things that we can do in addition to increasing the dollars that are available, of course, to continue providing high-quality types of training for persons with disabilities.

We know that folks with disabilities are often the last into the employment marketplace and the first out when times get tough. So we have got to push on the high wages, as Mr. Andrews was speaking earlier about. We have to identify access issues that allow individuals to get into those programs, and we believe that will make a great difference in being able to get folks to competitive, gainful employment.

Ms. TITUS. If there are some legislative changes that we need to make in the statute, would you get those to us so we can try to help you accommodate those things? Because not only does it make good economic sense, it is ethically the right thing to do, because we all benefit from everybody being able to reach their potential.

Mr. WOODERSON. Yes, ma'am. You can expect immediate follow up. Thank you.

Ms. TITUS. Thank you, Mr. Chairman.

Chairman HINOJOSA. Thank you.

I am now going to call on the gentleman from Oregon, Congressman David Wu.

Mr. WU. Thank you very much, Mr. Chairman. I have spoken with the workforce investment folks at home and also with a number of the community colleges, both that I represent and that are in the other four congressional districts of Oregon, and it is no surprise that they all say in economic times like these that enrollment in your programs and in theirs goes up significantly.

Can you, to the best of your efforts, try to quantify or give us percentages about how much additional demand you all experience and to the best of your ability estimate that for the community college programs also?

Mr. CAMP. I can give it to you later. I can't give it to you today.

Ms. GONZALEZ. Mr. Wu, let me tell you that we have a strong relationship with your workforce community in eastern Oregon. We are a mentor board to the eastern Oregon area.

Mr. WU. Would that be Blue Mountain Community College, or one of the others?

Ms. GONZALEZ. I knew you were going to ask that.

Mr. WU. That is all right. We can get that at a different time.

Ms. GONZALEZ. I will say to you, again, I will get that information to you. But more importantly, what we see as folks coming in to our workforce one-stop centers are absolutely incredible in numbers. I will also say to you that our community college has gone from 800 students to 22,000 students in the last 15 years, a huge increase in the last 3 years alone. I can get those numbers for you. The same is true for our 4-year institution, University of Texas at Pan American. So I can get that data for you.

But I will say you are absolutely correct, both for workforce services as well as training services, support services, any kind of support services that our workforce board can offer. The need far surpasses what we currently have. Our workforce board alone lost \$20 million in funding in the last 5 years. Not because of any other reason except that cutbacks and rescission; \$20 million, 46 percent of

our dislocated worker funds, dislocated worker funds, was cut last year alone.

Mr. WU. Anybody else want to address this in terms of the percentage increase in demand as our unemployment goes up by 2, 3, 4 or more percentage points?

Mr. CAMP. I have it for UI claims, the people going into the one-stop centers. We have a 61 percent increase in UI claims in will California. We have normally now 1 million visits annually to one-stop centers, and we think there will be a 60 percent increase over that 1 million visits over this next year.

Mr. WU. Anybody else?

Ms. JOHNSON. I might add we have not seen the increase yet, and we don't think we have seen the increase because people are receiving extended unemployment insurance benefits. They have not hit at a point where semesters or terms are occurring to where they can get into school, and we have a limitation on how much we can pay based on the availability of funding. So if that person does not have extra income coming in, we have not seen the increase. It may happen, but at this point in time, the increase as far as the number of clients that we are seeing going into training to the community college is not occurring.

Mr. WU. So just as employment tends to be a lagging economic indicator, when unemployment occurs, for your centers, it pretty much lags the numbers by a significant period also?

Ms. JOHNSON. It hasn't in previous high times of unemployment. But for the current situation, we have—I mean, our unemployment claims, they are out the door. We have 500 or 600 people standing in line every day. But the number of people going into training at the community college is not increasing at this point in time. It may, but it has not yet.

Mr. WU. Do you have any other explanations or theories about why that might be?

Ms. JOHNSON. Not yet. We are continuing to look at it, because we are concerned that we are not meeting the needs at this point in time. But it is not occurring.

Mr. WU. Mr. Chairman, I know my time has expired, but if I could ask one further question of the panel?

Chairman HINOJOSA. I will give you an additional minute.

Mr. WU. Thank you very much. Could you address the issue, as the demand goes up, what is your surge capacity with your current resources, both assets on the ground and money, and what do you need to accommodate the surge, the potential surge, if it does come?

Mr. WOODERSON. Mr. Wu, from the Vocational Rehabilitation Program standpoint, we find right now, as I was mentioning earlier, 36 of our programs already have a waiting list. And we know that over 35,000 individuals are waiting to get in the door.

So what it really boils down to for us is it is not just the money itself; it is the capacity to serve those who come through the door. So, for us, it really does mean a matter of expanding our ability to have professionals on the front line being able to meet those needs and then accessing programs out in the community to be able to achieve those high-quality jobs.

Mr. CAMP. Mr. Wu, we have had, during the holiday period, 2 million calls a day to our UI Claims Office. It takes people sometimes calling 20 times before they can ever get anybody to answer the phone. If you are not really good at waiting on the phone, you are not going to get your unemployment insurance.

So the real answer is this phone system, it has created an enormous crisis. People are not getting their unemployment insurance because they call and call and call and call and nobody answers the phone because they are overwhelmed. And they can't go in; it is illegal. So they have to either go by computer—and everybody doesn't have a computer.

So, in terms of the way the UI claims system works, it is an enormous failure. It is all automation.

Mr. WU. Thank you for that information. That is very helpful. And hopefully we can act on it and help the folks out there in need.

I try to reach some folks by phone these days, and it just doesn't work. And then I have to ask my son for help in getting on the laptop.

Chairman HINOJOSA. Congressman Wu, you have asked some very good questions that hopefully our staff is going to continue to try to find answers to, because the numbers are continuing to grow at 500,000 to 600,000 jobless per month. So we definitely have to answer those.

As we try to bring this to a close, I wanted to ask if each of the members of this panel would consider giving us in writing an answer to this question that I am going to give you. And that is: How can workforce centers work in conjunction with the community colleges nearest to them so as to be able to more effectively use the stimulus money that is in this \$789 billion over 2 years that is going to be available, a good part of it going toward retraining those that are jobless?

And I am of the opinion that the community colleges are great engines to help revitalize the regions with the highest unemployment rate. As we already learned, in some cities in California they are already at 20, 30 percent unemployment, and there are States that are already at 15 percent unemployment. So we have a very serious problem.

And I think that you all have made some good points. I like what Mr. Bahr said about the importance of not just having training for what used to be a good job last century, but going into community colleges and, with some help, being able to get an associate degree that would pay livable wages.

I am a strong proponent of community colleges, but I think that, in order for them to be successful, they need to have a closer relationship with your centers, because you have resources, both human and financial resources, that need to be leveraged with what we give the community colleges.

So, with that, I want to request unanimous consent that two documents that I have in my hands be entered into the record of this hearing. And the first document is submitted by David Harvey, president and CEO of ProLiteracy, and it is the testimony regarding aspects of adult education. The second document in my hands is that from Ronald G. Congleton commissioner representing labor,

and his testimony on the Texas Workforce Commission. Hearing no objection, it will become part of the record.

[The information follows:]

Prepared Statement of David C. Harvey, President & CEO, ProLiteracy

Mr. Chairman and respected members of the Subcommittee, ProLiteracy submits this written testimony as part of the Subcommittee on Higher Education, Lifelong Learning, and Competitiveness hearing on New Innovations and Best Practices Under the Workforce Investment Act (WIA). We regard this as preliminary testimony and respectfully request an opportunity to testify and participate in future hearings and the drafting stages of a reauthorization bill, addressing the needs of lowest-level adult learners and community-based organizations.

I would like to briefly introduce ProLiteracy, the problem of adult literacy in America, the role that community-based organizations play in educating low-level adult learners, and briefly mention some of ProLiteracy's highest-priority policy concerns related to WIA reauthorization.

ProLiteracy

ProLiteracy Worldwide is the world's oldest and largest organization of adult literacy and basic education programs in the United States. ProLiteracy traces its roots to two premiere adult literacy organizations, Laubach Literacy International and Literacy Volunteers of America. Laubach Literacy International was founded by missionary and adult literacy pioneer Dr. Frank C. Laubach more than 70 years ago. During his work with native Muslim tribes in the Philippines, Dr. Laubach pioneered literacy teaching methods—the ability to read, write, and perform basic math functions—as a way of helping to lift people out of poverty. His philosophy of “each one, teach one” is based on using former adult learners to tutor others in their community. When Ruth Johnson Colvin learned in the mid-1960s that a significant number of adults in her Syracuse, NY community could not read, she founded Literacy Volunteers of America. Her program used trained volunteers to tutor adults in one-on-one settings. In 2002, Laubach Literacy International and Literacy Volunteers of America merged to create ProLiteracy.

ProLiteracy now represents over 1,200 community-based organizations and adult basic education programs in the United States, and we partner with literacy organizations in 53 developing countries. In communities across the United States, these organizations use trained volunteers, teachers, and instructors to provide one on one tutoring, classroom instruction, and specialized classes in reading, writing, math, technology, English language skills, job-training and workforce literacy skills, GED, and citizenship. Our members are located in all 50 states and in the District of Columbia. Through education, training and advocacy, ProLiteracy supports the front-line work of these organizations through regional conferences and other training events, credentialing, and by publishing materials and products used in teaching adults basic literacy and English as a second language and preparing adults for the U.S. citizenship and GED exams. We gather and disseminate evidence-based practices in adult literacy instruction.

The Problem of Adult Literacy in America

In 2003, the U.S. Department of Education conducted the National Assessment of Adult Literacy (NAAL) in order to gauge the English reading and comprehension skills of individuals in the United States over the age of 16 on daily literacy tasks such as reading a newspaper article, following a printed television guide, and completing a bank deposit slip. The results indicated that 30 million adults—14 percent of this country's adult population—had below basic literacy skills; that is, their ability to read was so poor, they could not complete a job application without help or follow the directions on a medicine bottle. An additional 63 million adults read only slightly better.

The high percentage of low-literate adults can be connected to almost every socioeconomic problem this country faces. Adults who struggle to read are unhealthier than others, and they use hospitals more often. Low literacy adds an estimated \$238 billion to this country's health care costs each year. An estimated 60 percent of federal and state prison inmates are barely literate. And struggling readers are more likely to be unemployed and require public assistance.

These are people who, through no fault of their own, did not learn to read and write as children. They are people like Carl Solberg, a dyslexic who never learned to read until age 42. With the help of the tutors and staff at a ProLiteracy member program, Carl earned his high school diploma. He continued to work with his tutor

and three years later, he earned state certification as a teacher's aide. He now works in the same high school from which he dropped out.

And there's Melanie Abney, who grew up in a home where drugs were more important than education. She followed the family pattern—out of high school before graduation and into dealing drugs. She became involved in a literacy program while in jail and continued to be tutored after her release. She now is the office manager for the literacy program that helped her change her life.

Amie Colley left high school in the ninth grade, unable to recognize all the letters of the alphabet. She entered a literacy program at a third grade reading level. Two tutors discovered a reading program that works for Amie, who now hopes to earn her GED and someday, go to college.

Community-Based Literacy & Basic Education

In 2007–2008, ProLiteracy's member programs assisted nearly 200,000 adults struggling to improve their literacy skills. More than half these individuals—62 percent—were tested at the beginning to low basic literacy skill level. This means that approximately 120,000 students in ProLiteracy's member programs had reading, writing, and comprehension skills equal to those of first, second, third, and fourth graders. At these literacy levels, these individuals would not be eligible for the GED preparation classes offered by more traditional adult basic education programs. ProLiteracy member programs serve as an important entry point into the literacy and adult basic education system in the United States for lowest-level learners requiring intensive one-to-one and classroom instruction before graduating to more advanced programs.

ProLiteracy member programs provided student instruction with the assistance of more than 117,000 trained volunteers. The seven million hours of time donated by these volunteers are vital to student success, as many of our programs cannot afford to pay full- or part-time professional teachers. Only 55 percent of ProLiteracy member programs access state and federal funding under Title II of the Workforce Investment Act—the Adult Education and Family Literacy Act.

The Workforce Investment Act

In order for literacy and basic education programs to be eligible for WIA Title II funding, they must meet eligibility requirements as determined by the National Reporting System for Adult Education (NRS), developed by the U.S. Department of Education's Division of Adult Education and Literacy (DAEL). The NRS addresses such issues as the intensity and duration of instruction and the learner outcomes that must be achieved within specific time frames, outcomes such as finding a job and leaving welfare, getting a new job, earning a high school diploma or GED, or entering postsecondary training.

ProLiteracy supports these goals and we support an accountability system for programs; however, revisions to the system are needed in order to adequately evaluate community-based organizations and the lowest-level learners they serve.

Much of ProLiteracy's work with its member programs, in fact, deals with accountability and program improvement. Students enter our program with goals of finding jobs, getting better jobs, and earning a GED. When they enter with Level 2 ability, however, it is not likely that goal will be achieved within the frameworks of the NRS.

As this subcommittee begins the work of updating and reauthorizing the Workforce Investment Act, ProLiteracy urges its members to consider all the needs of a diverse adult literacy and basic education system. The system is not just diverse in that the goals of the administering states differ; it is diverse in the needs of the people that it serves. Adults at the lowest level need the additional time and individualized instruction that volunteer-based programs can offer so that they will be ready for the higher-level instruction available in traditional ABE classes. The volunteer-based programs serve as a feeder system to the ABEs in the same way that the ABEs feed students into postsecondary education.

Mr. Chairman, in any Workforce Investment Act reauthorization bill that is considered by Congress, we strongly recommend that the needs of America's lowest-level learners not be forgotten or abandoned. We owe the 1 in 7 adults in America who are in need of adult literacy and basic education the chance at a better future.

Preliminary Reauthorization Recommendations

ProLiteracy supports the recommendations for changes to Title II made by the National Coalition for Literacy, and we support aspects of the work of the National Commission on Adult Literacy. In particular, we support the National Coalition for Literacy's call for a revision of the NRS as an effective means of measuring the outcome of programs working with adults at the lowest levels. These recommendations are initial steps in considering the unique needs and contributions of ProLiteracy's

constituents. In addition to the Coalition's recommendations, ProLiteracy's specific priority concerns include:

1) The standards by which student progress is measured and programs deemed effective must consider the variables of student literacy level upon entering a program, student learning styles, current abilities, and life challenges.

2) That State Leadership Activities include appropriations for "professional capacity-building development for staff and tutors of adult basic education and volunteer- and community-based organizations * * *"

3) That "levels of performance measures for eligible providers must include consideration for the additional time and resources required by those providers serving adults * * * who have minimal literacy skills."

4) That wording regarding "direct and equitable access" to funding and "intensity and duration" of instruction be clarified and modified so as to be applicable to the unique services offered by community-based organizations.

5) That local programs and adult learners have a strong role in determining how programs are planned, administered, and evaluated.

In support of the issues identified above, ProLiteracy identified the following policy principles to guide reauthorization:

1. Adult literacy and basic education are fundamental human rights.

All adults in the United States who need adult literacy and basic education services should have access to instruction in the local communities where they live and work. Supporting these services will require a significant increase in federal, state, and local funding to support these educational services.

2. Adult learners—new readers, those transitioning to higher education, and everyone in between—need access to a continuum of adult literacy and basic education services.

Adult literacy and basic education comprise a comprehensive continuum that includes reading, writing, English language learning, using computers and other technology, numeracy, GED, and other instruction.

3. Adult literacy and basic education programs and services should be learner centered.

Adult literacy and basic education programs should be tailored to meet the needs and circumstances of the learners they serve. Instruction should support students' learning styles, challenges, and abilities. Programs should coordinate their services with the broad range of other services that adult learners may participate in, such as social, mental health, and disability services, including case management.

4. The Adult Education and Family Literacy Act should ensure the widest-possible access to federal and state funding mechanisms by local volunteer and adult education programs in order to serve the diverse needs of adult learners.

Program requirements and evaluation methods should be flexible to meet the varying capacities of local volunteer and adult basic education programs. If provisions related to "direction and equitable access" and "duration and intensity of instruction" continue in federal law, a broad-range of success indicators and outcome measures must be guaranteed so that programs have access to funding and are able to document the full range of literacy services that they provide.

5. Local programs and adult learners should have a strong role in determining how programs are planned, administered, and evaluated.

The Adult Education and Family Literacy Act is a partnership between federal, state, and local governments and local programs. Programs and services will be most successful when service providers and adult learners participate with government in planning and evaluating the adult literacy and basic education system.

6. A federal adult literacy and basic education interagency council should be created to ensure coordination of literacy and adult basic education policy and programs within the federal agencies responsible for public health, immigration, disability, financial literacy, and other related programs. A similar requirement should be made for state-level interagency coordination.

Many federal agencies are involved in various aspects of adult literacy and basic education. Similarly, adults participating in literacy and basic education often have multiple needs and participate in other publicly funded services. Federal and state agencies responsible for these services must coordinate policy and programs to eliminate conflicting eligibility requirements and other barriers to a local comprehensive, seamless service systems for adult learners.

7. Local programs that are successful in moving students through the system—from emergent to advanced levels—should get funding and other incentives, including direct federal funding to local programs to assure a variety of delivery systems to meet learner needs.

Programs should create and be rewarded for efforts to create a seamless, learner-centered, local adult literacy and basic education system. This will make it possible

for learners to move in and out of the system as their needs and circumstances dictate while they are acquiring the combination of skills and education they need to succeed at home, in the workplace, and in society. Direct federal funding of local programs is a strategy to assure that diverse programs are available to meet learner needs and circumstances.

8. Training and technical assistance and research to identify best practices and program models must be supported.

Local adult literacy and basic education programs need access to best practices for program design and instructional methods and to the technical assistance grants that will enable them to build their capacity, design innovative programs, support anti-stigma programs and campaigns for adult learners, and address other needs.

Conclusion

Mr. Chairman and members of the committee, ProLiteracy looks forward to working with you and members of your staff to strengthen this vitally important piece of legislation to ensure that it addresses the needs of America's lowest-level learners and the unique needs of community-based organizations.

Thank you for your consideration.

Prepared Statement of Ronald G. Congleton, Commissioner Representing Labor, Texas Workforce Commission

An unintended consequence of WIA has been an erosion of the relationship between unemployment insurance (UI) and the employment service (ES). Both funded from the same source, the two programs were designed to work together and have historically done so with great success. UI pays benefits to those with significant work histories who are temporarily unemployed while ES assists in finding them new work. Effective employment service reduces the amount of time it takes to find a new job, thus lessening the strain on unemployment trust funds and the taxes of employers who fund it. Working in tandem, the two programs effectively bridge rough spots in the economy for workers and communities.

In Texas, the linkage between UI and ES was badly weakened by the simultaneous creation of One-Stop centers and withdrawal of UI staff from local communities to remote call centers. Any reauthorization of WIA should strive to rebuild the bridge between the programs. This can be done without large scale changes, simply by strengthening the role of ES in the One-Stops and coordinating policy with the UI program.

In the early 1990's, Texas had the one most effective and efficient employment services in the country. Each town had an unemployment office run by the state's employment security agency where people who had lost jobs could file claims for unemployment benefits and get job search assistance. In addition to helping claimants find work, ES was able to verify that claimants were in fact searching for work, one of the core eligibility criteria for receiving unemployment benefits.

ES performance decreased with the advent of WIA. While part of this was due to the removal of unemployment insurance staff to call centers, certain aspects of WIA administration in Texas have exacerbated the problem. Minor changes and fine-tuning of WIA could reverse this trend and improve services for the unemployed while saving taxpayer dollars.

WIA created a network of local workforce boards overseeing One-Stop centers throughout Texas. The One-Stops provide information and services to impoverished adults and youth, dislocated workers and other classes of disadvantaged individuals. WIA, TANF and Food Stamp Employment and Training programs are collocated with ES in the One-Stops, but UI is not. This has eliminated day to day interaction between UI and ES, with the latter now aligned more closely with WIA, TANF and Food Stamps.

There has been a resulting shift in focus in the local employment offices, now renamed as One-Stops, from working people to welfare recipients. For all the success that the local boards have had in moving people off of welfare rolls and into entry level jobs, emphasis on those with a long attachment to the labor force, such as UI claimants, has decreased. The needs of those temporarily out of work are different from those with little or no work history, but once the unemployment insurance program was removed from the One-Stops, there was little impetus to focus on clients not tied to the funding streams supporting the centers.

A change in the management model of ES accelerated the trend. Although ES is still nominally a state-run program in Texas, day-to-day direction and control has been ceded to the individual workforce boards and their contractors. As a practical matter, an ever-changing group of private contractors have had hiring and firing au-

thority over the ES state workers in the One-Stops. In addition to creating instability in the ranks of ES workers, this has led to ES workers being directed more toward the programs funding the One-Stops: primarily WIA, TANF and Food Stamp Employment and Training.

The Texas Workforce Commission has attempted to address the lack of focus on UI by imposing performance criteria on the local boards relating to reemployment of UI claimants. Lacking experience with UI claimants, the response of local boards has been to treat them as they do their other targeted populations, despite the differences inherent in these groups. Laid-off workers and unemployment claimants come with a variety of skills, experience and education; by definition they have a long-term attachment to the labor force. Unfortunately, the One-Stops tend to view them as just another disadvantaged client: rather than cultivate better job postings and concentrate on matching them with the particular and unique skills of each individual, the One-Stops have adopted a cookie cutter approach to placement. Arbitrary work search requirements are assigned without regard to experience, profession or job availability, and the quality of job placement has diminished.

This blurring of the lines between WIA targeted groups and the general population is not the fault of the local workforce boards. After all, transitioning welfare clients and low-income people into work has been both their focus and their source of funding. Since the boards neither administer nor receive funding for UI, it is unfair to impose UI performance criteria on them.

To rectify these problems, ES should be reoriented toward the general population and given the authority to resume its historical role as the public labor exchange. ES staff could then monitor the work search efforts of UI claimants, provide basic job matching services and handle all basic intake and evaluation functions of the One-Stop.

Reemphasizing ES would also eliminate a design flaw of WIA, namely, the unnecessary replication of ES services under WIA. Title I of WIA created three levels of service delivery: core, intensive and training. Core services are such things as intake, evaluation, and job search assistance—precisely the same services historically performed by ES. Combining WIA core service with ES would eliminate this redundancy and allow WIA resources to be devoted entirely to intensive services and training. Intake and basic job-matching would be performed by ES uniformly across the state, but training and intensive services would be customized by the workforce boards as local conditions require.

In order to achieve efficiency of scale and assure consistency of service, ES should once again be managed by the Texas Workforce Commission. As interdependent programs, ES and UI require a high level of coordination that is difficult to achieve when the one program is run by the state and the other by 28 different entities. Moreover, since both programs are required to be staffed by state merit system employees, delegating direction and control to private contractors is a complicated and unwieldy process. The simple solution is to reunite ES and UI as coordinated state-run programs.

The results of a recent DOL evaluation support strengthening ES at the state level. DOL compared the traditional state-run ES with pilots in Colorado, Massachusetts and Michigan, where merit-system requirements were relaxed to allow alternative service delivery. There were large reductions in the numbers of job openings listed in the pilot sites, with the One-Stops concentrating on serving the disadvantaged by obtaining job listings tailored to the skills of low-income job seekers. The traditional public labor exchange staffed by state merit-system employees was found to be significantly more cost effective.

We should learn from this lesson in reauthorizing WIA. Local input and control in the design and implementation of job training and services for the disadvantaged is a critical piece of the puzzle, but so is maintaining a robust statewide labor exchange program. A job seeker should be able to receive the same high quality of service anywhere in the state, and ES should provide seamless, well integrated statewide services that can follow a job seeker who re-locates. Likewise, UI claimants should be held to the same standards regardless of the location in Texas where they reside. Uniformity, consistency and accountability will increase across the board if ES is strengthened and once again oriented toward the general population.

The public still thinks of the One-Stop as the employment office. With the economic downturn, laid off workers are flooding the One-Stops looking to file unemployment claims. They are surely shocked to discover that these offices are no longer equipped to take their claims. At best, they can use a computer to attempt to file on-line; at worst, they are merely given a phone number to call, a phone number that may give them nothing but a busy signal. This is not a sustainable system. Strengthening ES, reestablishing its historical relationship with UI and orienting the One-Stops back toward the larger population of unemployed workers is critical

in rebuilding the workforce. Reauthorization of WIA is an opportunity to achieve this, and I encourage the committee to consider these suggestions.

Ronald Congleton, the Commissioner Representing Labor, is one of the three commissioners of the Texas Workforce Commission. He respectfully submits this statement on prospective changes in provisions of the Workforce Investment Act.

Chairman HINOJOSA. And I am going to give an opportunity to Ranking Member Guthrie to make his request.

Mr. GUTHRIE. Thank you, Mr. Chairman.

I ask unanimous consent to submit the Government Accountability Office's report, report number 071096, for the record.

Chairman HINOJOSA. No problem. It will be made part of the record.

[The GAO report, "Workforce Investment Act: One-Stop System Infrastructure Continues to Evolve, but Labor Should Take Action to Require That All Employment Service Offices Are Part of the System," submitted by Mr. Guthrie, may be accessed at the following Internet address:]

<http://www.gao.gov/new.items/d071096.pdf>

Chairman HINOJOSA. And I want to thank each and every one of the presenters for coming this afternoon and being so generous with your time, allowing us to build up our record as we try to find ways in which we can try to make this reauthorization one that will be very effective and be able to give us the results that we need to be able to use the money effectively and make our country a better place to raise our families. Once again, I thank you.

And any member who wishes to submit follow-up questions in writing to the witnesses should coordinate with majority staff within the requisite time.

[The statement of Mr. Altmire follows:]

**Prepared Statement of Hon. Jason Altmire, a Representative in Congress
From the State of Pennsylvania**

Thank you, Chairman Hinojosa, for holding this important hearing on best practices under the Workforce Investment Act (WIA).

Since 2007, our country has lost more than 3.6 million jobs. We cannot ask American workers to wait any longer for an update to our country's workforce investment system. In one month, we shed almost 600,000 jobs and the unemployment rate has surged to 7.6 percent. This week, Congress will send to the president an economic recovery package that will both stimulate our ailing economy in the short term as well as lay the groundwork for a stronger economy in the future. Included in the recovery package is a multi-billion dollar investment in job training to help place workers in emerging industries—a critical first step in getting our economy back on track.

I look forward to working with the Chairman on the reauthorization of WIA this year. As he mentioned, it was last reauthorized in 1998 and is long overdue for reauthorization. It is my hope that over the next few months, we will have more hearings like this one so that we can hear from all points of view about what works and what we need to do to improve WIA to ensure that it is working.

Thank you again, Chairman Hinojosa, for holding this hearing. I yield back the balance of my time.

[Additional submission by Mr. Hinojosa follows:]

**Prepared Statement of National Council of State Agencies
for the Blind, Inc.**

Reauthorization of the Rehabilitation Act core principles and priorities

1. Maintain the Rehabilitation Act as a distinct title within the Workforce Investment Act with a separate and distinct funding stream. Historically, individuals with disabilities have not fared well in generic service delivery systems. To allow diversion of funds appropriated to disability programs and intended to benefit disabled job seekers, to workforce programs not intended for people with disabilities would result in this population being more isolated and less involved in the mainstream of America's workforce.

2. Create a separate funding stream to support infrastructure costs of operating the one-stops. At present vocational rehabilitation funds are severely limited. An increasing number of state agencies have established waiting lists of individuals in urgent need of vocational rehabilitation services. Diverting service dollars to pay the infrastructure costs of the one-stops will reduce the number of individuals served by the vocational rehabilitation program. As an alternative, we recommend that infrastructure funding be made a separate line item within The WIA rather than taxing service dollars from each of the partner programs.

3. Maintain the Rehabilitation Services Administration (RSA) Commissioner as a presidential appointee requiring Senate confirmation. Any reduction in the status of the RSA Commissioner will further deemphasize the importance of the vocational rehabilitation program within the Department of Education and the Congress. Downgrading the Commissioner will reduce the ability for the designated head of the vocational rehabilitation program to advocate for the employment and independent living needs of adults with disabilities.

4. Maintain the option for states to have a separate agency for the blind. Current research and performance standards indicate that people who are blind are more successful when served by vocational rehabilitation agencies for the blind. The ability of states to submit a state plan to specifically serve people who are blind through a distinct designated state unit for the provision of such services is an important element in the concept of consumer choice and flexibility.

5. Most consumers who are blind would prefer to receive vocational rehabilitation services from professionals trained to work with persons who are blind and from agencies specializing in this service area. Additionally, the NCSAB urges the support for specialized services for the blind through expanded funding of innovative training programs in blindness rehabilitation.

6. Homemakers should continue to be recognized as a successful vocational rehabilitation closure. Homemakers have been viewed as contributing members to society, often providing invaluable support within a household allowing other family members to pursue gainful employment. We believe that "homemaker" as a vocational goal should be better defined within the Act and regulations. Such a definition would increase the likelihood that persons choosing a vocational goal of homemaker would receive appropriate related services.

7. Preserve the provision in the Act to provide independent living services to individuals who are blind over age 55 (Title VII, Chapter 2) through the designated state unit for vocational rehabilitation. Title VI1, Chapter 2 must remain separate and distinct and not be included in the State Plan for Independent Living.

8. Amend the formula for the distribution of funds under Title V11, Chapter 2. Our organization would like to see assurances in the Rehabilitation Act for minimal COLA increases to all states when additional funds are appropriated for Title VII, Chapter 2 and see the base award for each state raised to \$350,000.

[Question for the record and the subsequent responses follow:]

U.S. CONGRESS,
[VIA FACSIMILE],
Washington, DC, February 17, 2009.

Mr. MORTON BAHR, *President Emeritus,*
Communications Workers of America, National Commission on Adult Literacy,
Washington DC.

DEAR MR. BAHR: Thank you for testifying at the February 12, 2008 hearing of the Committee on Education and Labor on "New Innovations and Best Practices Under the Workforce Investment Act."

Representative Ruben Hinojosa (D-TX), chairman of the Higher Education, Lifelong Learning and Competitiveness Subcommittee and member of the Early Child-

hood, Elementary and Secondary Education Subcommittee, has asked that you respond in writing to the following question:

1. How can the Workforce Investment Act partners work with the Community Colleges near them to use the newly designated economic recovery package funding for training programs?

Please send an electronic version of your written response to the questions to the Committee staff by close of business on Tuesday, February 24, 2009—the date on which the hearing record will close. If you have any questions, please do not hesitate to contact the Committee.

Sincerely,

GEORGE MILLER, *Chairman.*

Mr. Bahr's Supplemental Material Submitted for the Record

1. The National Commission on Adult Literacy, in its final report, "Reach Higher, America," recommends serving 20 million adults by 2020. How can we afford enough teachers and staff to serve so many people, and how can we expect so many to enroll in programs?

Answer: The Commission recommends the use of technology on a dramatically increased scale. Along with a major infusion of new funds, both public and private, this is a significant part of the solution. Although the Commission's report made its technology recommendation in general terms, the Council for Advancement of Adult Literacy (CAAL), the follow-up agent for the Commission, has begun a project that will have precise recommendations by late summer. Until we have the results of that work, we can't provide specific advice, but we have made some preliminary suggestions, on request, to some House staffers. On the second part of the question, new kinds of public awareness activities will be needed to motivate students and the general public. CAAL will undertake a project in the coming months to begin the preliminary planning for the public awareness campaigns that will eventually be needed. In addition, in the new WIA legislation being drafted now in response to the Commission's report, the federal government would provide encouragements to the states to develop appropriate public awareness activities as part of their own comprehensive planning for adult education and workforce skills development.

2. The commission recommends readiness for entering college and job training programs as the primary educational outcome of the new adult education system. How will we know when "readiness" has been achieved?

Answer: The Commission recommends close partnerships with business as well as collaborations between all kinds of adult education and training providers, including community colleges and community-based organizations. These groups need to work in concert at national, state, and local levels to identify workforce needs, design programs to meet them, and assess whether workforce readiness has been achieved. In fact, the Commission recommends that, as a condition of financial support for low-skilled adult education programs, the new Adult Education and Economic Growth Act require the states to formulate plans to do this. Improved labor market research at the national level is also important. Also, some valuable tools are available to help assess "readiness." For example, Workforce Certifications are under development by the National Association of Manufacturers (in cooperation with ACT) and by the U.S. Chamber of Commerce (building on work begun at NIFL). The CASAS Workforce Skills Certification System is also coming into use. Further, the National Center for Education and the Economy, with which CAAL is doing some follow-up work and which is the base for the work of the New Commission on Skills of the American Workforce, will shortly release a "down-in-the-weeds" book on what state and local programs and planners need to know and do to implement readiness activities and standards. In addition, the new legislation in development, which the Commission hopes will fundamentally reform elements of WIA having to do with adult education and workforce skills, should make some provision for research and development in the workforce certification area.

3. Many recent reports from leading research organizations stress the need to improve the skills of the American workforce. How do the recommendations of the National Commission on Adult Literacy differ?

Answer: All of the major Commission studies on lifelong learning and human resource development for national economic purposes have recognized the importance of adult education, but it has not been a primary focus of their work. In fact, at the very first convening of the National Commission on Adult Literacy, one member, former Secretary of Labor Ray Marshall, commented that while adult education was in the footnote of all the important reports, the Commission needed to make it the main focus of OUR work and get it up out of the footnotes. The focus of most of

the reports to date have been on improving the K-12 and postsecondary systems, and linking the two. The Commission thinks these recommendations are high priorities, but we found that, even if implemented, they would not have a large impact on the skills of the American workforce for decades to come. This is because of the demographics: the vast majority of the American workforce in 2020 and well beyond will consist of today's adults who are beyond the reach of the schools and postsecondary education. A large percentage of them lack the skills to enter postsecondary education or job training. Hence, to create the competitive workforce that everyone believes we need, it's essential to invest in adult education programs that provide pathways to training and college. Our Commission's work has filled a gap that others have not filled, and we have assurances from many organizations across the country that they agree with our conclusions and support the direction of our recommendations. Incidentally, those recommendations have even greater urgency today, at a time when the recession has created millions of displaced workers—many in low-skilled fields such as construction. In short, the Adult Education and Workforce Skills System we propose must be recognized as an essential partner in our national education reform efforts if we are not to leave behind many millions in our workforce.

4. Is the skills gap really that important?

Answer: The pervasive basic skills problem is critical to our economy and to workforce preparation, and we do not have an adequate system for dealing with this problem. In addition, the current WIA is not adequate in structure, funding, or implementation. The Commission has proposed legislation (and is working on it with House leaders now) that we hope will create an Adult Education and Workforce Skills System largely through major changes in WIA. The goals are to establish new educational outcomes for services; connect adult education, workforce skills, and other relevant entities in planning and service provision at all levels; and have verifiable performance outcomes geared to “readiness” for postsecondary education and job training. [NOTE: There were reform aspects in the current WIA Title I and II programs, but they have not gone far enough or have often not been enforced. As currently structured and funded, WIA is not adequate to the job we need to do now because the times have changed profoundly since it was created. The Commission looked specifically at WIA Title II (which encompasses the entire Department of Education adult education program), and at the four adult education programs of WIA Title I: adult education, dislocated worker program, Trade Adjustment Assistance, and out-of-school youth. In this reform effort, it is highly important to overcome silo and fragmentation problems that plague current federal efforts by connecting relevant federal adult education programs, especially the WIA Title I and II programs, which provide most of the service.]

5. Can we actually train low-skilled workers for high skilled jobs? How do we know?

Answer: Yes. We know we can do it. Both the Commission and various resource organizations (such as CAAL, the Center for Law and Social Policy, and Jobs for the Future) have identified, studied, and profiled scores of programs in all parts of the country that do this effectively right now. For example, Washington State's I-Best program (one of those profiled by the Commission), provides community college-based dual instruction programs that teach basic and vocational skills concurrently. This program greatly reduces the time it takes to move adult learners up their career ladders. The common principles behind this and other programs are well understood—and about to be set forth in a new report from the National Center on Education and the Economy. The problem is that there are too few resources, and federal barriers stand in the way of taking these local efforts to scale. Also, both the federal government and the states must coordinate better the efforts of education and training programs (not just WIA Title I and II, but also TANF, corrections education, and others) and link them to needs of employers. The Commission's report proposes measures to overcome these problems.

6. What explains the low number of adults currently enrolled in adult basic education and ESL programs?

Answer: Given the limited resources available in most states, the adult education system has provided a significant level of service, especially for ESL populations. And there are long waiting lists for service on all fronts. However, most states have not fully implemented WIA Title II provisions for workplace basic skills instruction. The Adult Education and Workforce Skills System called for in Reach Higher, America will require much more attention to workforce skills needs and certification. The Commission believes that the demand for adult education and workforce skills services will skyrocket and that program outcomes will be greatly improved if federal and state policy creates clearer pathways to better jobs and results in higher incomes and family-sustaining wages.

7. How will the commission's proposals create jobs?

Answer: The Commission's recommendations are an essential pre-condition to creating new jobs. New jobs can't be created if workers with appropriate basic skills aren't available. Many corporations are grappling with this problem. AT&T is one important, highly publicized example. Another is the Dollar General Corporation. The former CEO and chairman of Dollar General (lead funder of the Commission's work) spoke about this problem in that company several times during the Commission's deliberations. A comprehensive workplace skills program would be very supportive of workforce and economic development programs. Also, many more adult education jobs will be created by the new System, including instructors, counselors, program directors, and planners.

8. In what Federal department are adult education and basic literacy programs most appropriately based?

Answer: The Commission took no position on this issue. Members believe that the emphasis should be on interagency collaboration rather than moving boxes around on the federal organization chart, in the process creating unnecessary turf wars. The adult skills problems cut across the interests and domains of many federal departments. The Department of Education, under any scenario, has basic responsibility for community colleges, higher education generally, the schools, vocational training, Pell grants, and many other programs that must be coordinated to create effective career pathways. The Department of Labor has some adult education services, as identified by the Commission. The challenge is not to shift them elsewhere but to connect them in more productive ways with those of Education. The Department of Health and Human Services will continue to have responsibility for TANF, which must also be linked to career pathway programs. Joint planning and coordination should be the priority.

9. The commission referred to the fastest growing occupations in its report. why is that important?

Answer: The latest information available from the Bureau of Labor Statistics is from 2006. It needs updating and doesn't capture "green" jobs and more recent trends. But, according to the BLS: By most accounts, even in the recession, there is still a growing demand for large numbers of workers in all aspects of healthcare, personal services, and education nationwide, as well as demand in a wide range of occupations within local labor markets. And the Economic Stimulus package intends to stimulate demand in construction and many sectors. At present it is difficult to forecast the long-term trends. But the essence of the Commission's recommendations is that a career pathway system should be created that can respond quickly and flexibly to whatever workforce demands emerge in local labor markets in the years to come.

10. What is the commission's core Federal recommendation?

Answer: The Adult Education and Economic Growth Act is at the core of the Commission's recommendations. This Act needs to focus on the unemployed; low-skilled incumbent workers; immigrants with limited or no English; parents or caregivers with low basic skills; incarcerated adults; high school dropouts; and high school graduates not ready for college. These people are our parents and family units, aspiring new citizens, our neighbors, and both future and incumbent workers. [NOTES: (1) In this period of economic emergency, many millions of displaced workers have low basic skills and must be retrained for today's available jobs and jobs of the future, such as "green jobs." (2) We need to be careful how we apply the term "training," which usually refers to people at higher educational levels rather than the millions at the center of the National Commission's concerns whose basic skills need upgrading. Retraining cannot alone be effective unless we recognize the importance of upgrading adults with low basic skills and unless we have the resources and system to improve the basic skills of displaced workers to the levels required.]

11. How does the commission define basic skills?

Answer: For purposes of the new Act, the Commission believes that the current definition of "basic skills" needs to be redefined. It will not be enough in the new Adult Education and Workforce Skills System we recommend to provide instruction in basic reading, writing, math, and ESL. Such basics as how to communicate, acquire information, think critically, solve problems, use technology, and work in teams need to be part of the equation to achieve "readiness." This is one of the reasons that adult education groups (including community colleges) and workforce development groups must work more closely together.

12. What is the state role in the commission's call for reform?

Answer: For federal leadership to deliver, the Act must require states to connect all key state interests (adult education, community colleges and postsecondary education generally, workforce skills, youth policy, and others) in comprehensive planning so as to coordinate and align systems consistent with their postsecondary edu-

cation, workforce, and economic development goals. It will be vital in many cases for governors' offices to be involved, and for authority for the required planning to actually be set into state legislation.

13. In the commission's plan, what entities have responsibilities for delivering instructional services?

Answer: Community colleges, which now provide about one-third of adult education services in the nation, must step more to the forefront and be funded to do so. But all types of provider organizations are essential to the combined effort, including community-based and voluntary organizations, school districts, higher education institutions generally, business and labor, correctional education programs, family literacy groups, student alliances, and others—and they also need new and better resources to fill their roles. The big challenge is to “connect the dots” among these groups. If the Commission's recommendations to break down the fragmentation and waste created by silos are acted on, these groups will necessarily have to work much more together. Beyond that, technology, including distance learning, must also be deployed on an unprecedented scale, for instructional purposes and also to help meet program management and data collection needs.

U.S. CONGRESS,
[VIA FACSIMILE],
Washington, DC, February 17, 2009.

Mr. BILL CAMP, *Executive Secretary,*
Sacramento Central Labor Council, AFL-CIO, Sacramento, CA.

DEAR MR. CAMP: Thank you for testifying at the February 12, 2008 hearing of the Committee on Education and Labor on “New Innovations and Best Practices Under the Workforce Investment Act.”

Representative Ruben Hinojosa (D-TX), chairman of the Higher Education, Lifelong Learning and Competitiveness Subcommittee and member of the Early Childhood, Elementary and Secondary Education Subcommittee, has asked that you respond in writing to the following question:

1. How can the Workforce Investment Act partners work with the Community Colleges near them to use the newly designated economic recovery package funding for training programs?

Please send an electronic version of your written response to the questions to the Committee staff by close of business on Tuesday, February 24, 2009—the date on which the hearing record will close. If you have any questions, please do not hesitate to contact the Committee.

Sincerely,

GEORGE MILLER, *Chairman.*

Mr. Camp's Response to Question Submitted for the Record

I am responding to the question raised at the committee and reiterated in your February 17, 2009 letter: “How can the Workforce Investment Act partners work with the Community Colleges near them to use the newly designated economic recovery package funding for training programs?”

In Sacramento we have already established close working relationships with the Los Rios Community College District which covers our entire WIB jurisdiction.

Within the last 3 years, the employer community in response to the Sacramento WIB questionnaire stated specific “soft” skills which they considered of first importance in hiring new employees. The community college staff in coordination with the Sacramento WIB developed a course curriculum that when successfully completed would earn a “Ready to Work” certificate which the unemployed or underemployed worker could take to any employer when they applied for a job. When tracking the wages earned by these successful graduates of the “Ready to Work” classes showed an \$8,000.00 annual increase in income. We are interested in broadening these classes into the high school system in preparation for those students who do not see themselves as 4 year college applicants.

In addition, the Sacramento WIB is currently contracting with our community colleges for classes for utility workers who are needed by Pacific Gas and Electric and other utilities to replace a well paid unionized workforce that is currently retiring. We are currently training highway construction pre-apprenticeship workers who will be doing the highway construction work in the stimulus bill. In addition, we are training solar installers for the contractors who are working with our local public utility in installing solar panels. Lastly, the Sacramento WIB are training “clean

diesel mechanics” who will be replacing retiring Union mechanics who work for the Sacramento Regional Transit Agency.

The Sacramento WIB will scour the stimulus plan for opportunities to work with our local community colleges in developing courses pertinent to applicants seeking opportunities in these stimulus funded activities. To the degree that the “ARRA” includes authorization for local WIB’s to contract for training with community colleges, apprenticeship and other training providers, the Sacramento WIB will work for every opportunity to enroll unemployed job seekers needing skills and development.

Thank you for the opportunity to respond. I would be glad to share any additional details that might interest you.

U.S. CONGRESS,
[VIA FACSIMILE],
Washington, DC, February 17, 2009.

Ms. KAREN R. ELZEY, *Vice-President and Executive Director,*
Institute for a Competitive Workforce, U.S. Chamber of Commerce, Washington, DC.

DEAR MS. ELZEY: Thank you for testifying at the February 12, 2008 hearing of the Committee on Education and Labor on “New Innovations and Best Practices Under the Workforce Investment Act.”

Representative Ruben Hinojosa (D-TX), chairman of the Higher Education, Lifelong Learning and Competitiveness Subcommittee and member of the Early Childhood, Elementary and Secondary Education Subcommittee, has asked that you respond in writing to the following question:

1. How can the Workforce Investment Act partners work with the Community Colleges near them to use the newly designated economic recovery package funding for training programs?

Please send an electronic version of your written response to the questions to the Committee staff by close of business on Tuesday, February 24, 2009—the date on which the hearing record will close. If you have any questions, please do not hesitate to contact the Committee.

Sincerely,

GEORGE MILLER, *Chairman.*

Ms. Elzey’s Response to Question Submitted for the Record

Question posed by Rep. Ruben Hinojosa, Chairman, Subcommittee on Higher Education, Lifelong Learning, and Competitiveness of the House Committee on Education and Labor: How can the Workforce Investment Act partners work with the Community Colleges near them to use the newly designated economic recovery package funding for training programs?

Over the past months, the United States has experienced a serious downturn in our economy and extraordinary turbulence in our financial markets. Millions of Americans are anxious about whether their skills are going to provide them with job opportunities in a volatile economic landscape. Community colleges play a crucial role in preparing workers with the skills demanded by employers in the evolving global economy. In the short term, meeting the needs of newly unemployed workers is the most urgent challenge.

Community and technical colleges working in collaboration with the public workforce system and the business community, including chambers of commerce which represent hundreds of local businesses, are positioned to provide the most advanced, flexible, and market-driven education and training. There are several ways that Workforce Investment Act partners can strengthen their relationship with community colleges under the American Recovery and Reinvestment Act of 2009 (ARRA):

- Contract directly with community colleges for training: The American Recovery and Reinvestment Act of 2009 provides an additional \$2.95 billion to the Workforce Investment Act. Specifically, the bill “provides the authority for local Workforce Investment Boards (WIBs) to contract with institutions of higher education and other eligible training providers as long as the authority is not used to limit customer choice.” This provides an excellent opportunity for local WIBs to expand workforce training opportunities with community colleges. However, it must be ensured that the WIBs do not limit other training providers such as career colleges from offering services.

- Provide training for middle-skill jobs: Roughly half of all occupations in today’s labor market are classified as middle skills jobs—those requiring more than a high

school diploma but less than a bachelor's degree. Yet, a large percentage of the population doesn't possess the education and training to obtain these jobs. Additional funding in programs such as Adult Services and Dislocated Workers allows for community colleges to work in collaboration with the workforce investment system and the business community to retrain and upgrade the skills of the current workforce. The training should be targeted for occupations that are in demand or are expected to grow.

- Support high growth industries and sector-based strategies: The American Recovery and Reinvestment Act of 2009 provides an additional \$750 million in training for high growth industries. This initiative targets investments for public private sector partnerships to develop training programs in high demand occupations. As part of this program community colleges have and can continue to play a key role in both developing these programs and providing skills training.

In a country as diverse and complex as ours, we must rely on a system of affordable, accessible community colleges to serve as gateways to further education and quality job opportunities.

U.S. CONGRESS,
[VIA FACSIMILE],
Washington, DC, February 17, 2009.

Ms. BONNIE GONZALEZ, *Chief Executive Officer,*
Workforce Solutions, Inc., Lower Rio Grande Valley, McAllen, TX.

DEAR MS. GONZALEZ: Thank you for testifying at the February 12, 2008 hearing of the Committee on Education and Labor on "New Innovations and Best Practices Under the Workforce Investment Act."

Representative Ruben Hinojosa (D-TX), chairman of the Higher Education, Lifelong Learning and Competitiveness Subcommittee and member of the Early Childhood, Elementary and Secondary Education Subcommittee, has asked that you respond in writing to the following question:

1. How can the Workforce Investment Act partners work with the Community Colleges near them to use the newly designated economic recovery package funding for training programs?

Please send an electronic version of your written response to the questions to the Committee staff by close of business on Tuesday, February 24, 2009—the date on which the hearing record will close. If you have any questions, please do not hesitate to contact the Committee.

Sincerely,

GEORGE MILLER, *Chairman.*

Ms. Gonzalez's Response to Question Submitted for the Record

1. *How can the Workforce Investment Act partners work with the Community Colleges near them to use the newly designated economic recovery package funding for training programs?*

As an "early implementer" of WIA in 1998-1999 the State of Texas quickly achieved consolidation of twenty-eight (28) separately funded employment and training programs under one (1) entity—the Local Workforce Investment Board (LWIB) and established the delivery of services through a One-Stop Service model. The major services consolidate include, Employer/Business, Employment and Re-Employment Services to unemployment insurance claimants. This consolidation included not only services but the wealth of data of each.

As the only state approved provider of One-Stop Services through its Workforce Solutions Centers, Workforce Solutions, Inc. (the Lower Rio Grande Texas LWIB) connects employers with job seekers and through this connection and dialogue identifies the needs of both; our Community Colleges are our partners in providing solutions.

As a LWIB we can work with our Community Colleges as follows:

- Convene Industry Leaders—both those affected by the current economy and those in the emerging industries to identify training needs for Community College training development
- Conduct analysis of the current unemployed labor force to identify transferrable skills for rapid re-training
- Provide Community Colleges with educational levels and training needs of the identified population most able to complete training and proposed timelines for completion

- Recruit the necessary number of the unemployed to fill classroom and on-site training
- Utilize WIA funds and seek competitive grants to pay a portion of the training
- Provide Assistance in applying for and obtaining maximum amounts of available financial aid through workshops on proper application completion and timely submission
- Provide supportive service in the areas of child care, transportation and training related equipment to enroll and maintain enrollment in training
- Provide “income maintenance” employment to trainees to fill income gaps during training
- Provide intensive counseling in family finance/budgeting and motivational activities
- Develop incentives for obtaining training performance benchmarks which can reduce training costs
- Provide tracking of and assessments of training delivery
- Provide tracking of and effectiveness of training upon employment
- Provide employment retention services

Workforce Solutions, Inc. can contribute the above, at minimum, to work with our Community Colleges and our employers to implement the necessary actions needed to rapidly provide skills training that will return our labor force to productivity.

[Graph provided by Ms. Gonzalez follows:]

TRUST AD Hoc Report: ITA
From 01.01.2009 to 02.24.2009

Source: the Credit Bureau

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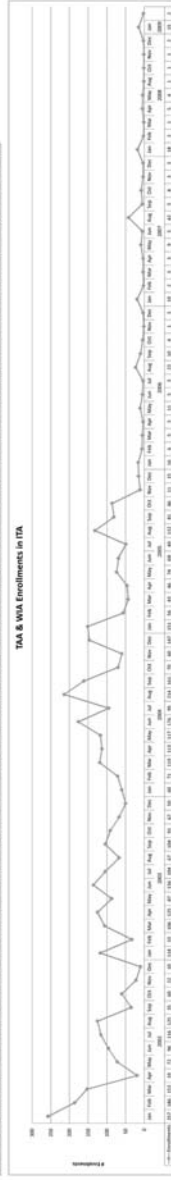
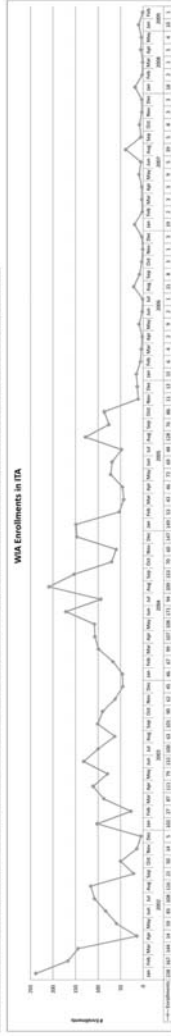
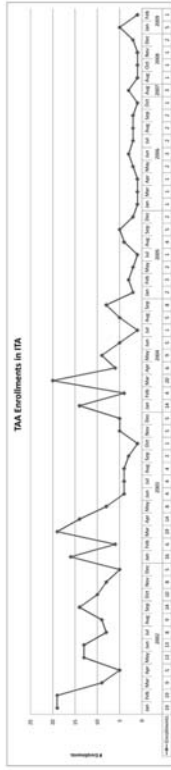
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U.S. CONGRESS,
[VIA FACSIMILE],
Washington, DC, February 17, 2009.

Ms. SHERRY L. JOHNSON, *Associate Director*,
Lincoln Trail Area Development District, Elizabethtown, KY.

DEAR MS. JOHNSON: Thank you for testifying at the February 12, 2008 hearing of the Committee on Education and Labor on “New Innovations and Best Practices Under the Workforce Investment Act.”

Representative Ruben Hinojosa (D-TX), chairman of the Higher Education, Lifelong Learning and Competitiveness Subcommittee and member of the Early Childhood, Elementary and Secondary Education Subcommittee, has asked that you respond in writing to the following question:

1. How can the Workforce Investment Act partners work with the Community Colleges near them to use the newly designated economic recovery package funding for training programs?

Please send an electronic version of your written response to the questions to the Committee staff by close of business on Tuesday, February 24, 2009—the date on which the hearing record will close. If you have any questions, please do not hesitate to contact the Committee.

Sincerely,

GEORGE MILLER, *Chairman.*

Ms. Johnson’s Response to Question Submitted for the Record

How can the Workforce Investment Act partners work with the Community Colleges near them to use the newly designated economic recovery package funding for training programs?

Practitioner Response: The Lincoln Trail Workforce Investment Area and the Elizabethtown Community and Technical College (ECTC) have a long history of partnership and collaboration for addressing employment needs of the region. The current economic crisis in America allows us to build upon this relationship to expand training opportunities, both long and short term, but to look at the possibility of developing “refresher” courses in subjects such as math, writing skills, introduction to computers, entrepreneurial, etc. Discussions will be held to expand training opportunities in high demand sectors in the local labor market—i.e., healthcare, information technology (as it relates to Fort Knox demands/needs), and service related occupations. This might include purchasing class-size projects.

Past examples of our strong relationship with the community college:

- Establishment of a healthcare career pathways program that is promoted nationally as a successful model for replication.
- Establishment of the “Options Workshops” for dislocated workers. These workshops are above and beyond our normal rapid response activities. Community partners have included—KY Society for Financial Planners, a local financial planner, United Way, local Ministerial Association, etc. The college has also offered dislocated workers two non-credit courses for free.
- Development of a youth career pathways project in high demand occupations in the local labor market.
- Development of career pathways project at the request of the U.S. Federal Highway and Safety Administration and Kentucky Cabinet for Transportation. Project was replicated in two other areas across the state.
- Assisted in the WIRED grant application process.
- Developing web-based curriculum in response to U.S. Army’s Human Resource Command needs—“Military 101” and “Introduction to Military Personnel Management”. Scheduled for launch in Spring 2009.

It is important to recognize that “training” is not necessary for everyone and should not be the sole focus of our efforts. We need to consider other alternatives as well. Workshops on resume writing; interviewing skills; budgeting your finances, retirement, savings, etc. are vital tools for individuals as well.

Quite frankly, the Elizabethtown Community and Technical College is not just important to our local workforce response during the current crisis but a vital partner each and every day. The success of our workforce efforts in the region have been and will continue to be addressed through the partnership we have with the college. Any time we have a new initiative, a plant closure/layoff, or any workforce related project—the very first call we make is to the college right across the street.

U.S. CONGRESS,
[VIA FACSIMILE],
Washington, DC, February 17, 2009.

Mr. STEPHEN WOODERSON, *State Administrator,*
Iowa Vocational Rehabilitation Services, Des Moines, IA

DEAR MR. WOODERSON:

Thank you for testifying at the February 12, 2008 hearing of the Committee on Education and Labor on “New Innovations and Best Practices Under the Workforce Investment Act.”

Representative Ruben Hinojosa (D-TX), chairman of the Higher Education, Lifelong Learning and Competitiveness Subcommittee and member of the Early Childhood, Elementary and Secondary Education Subcommittee, has asked that you respond in writing to the following question:

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Sincerely,

GEORGE MILLER, *Chairman.*

Mr. Wooderson’s Response to Question Submitted for the Record

Responding to: “*How can the Workforce Investment Act partners work with the Community Colleges near them to use the newly designated economic recovery package funding for training programs?*”

In Iowa we work extensively with the 15 community colleges in our state. In addition to continuing to build training apprenticeships for high demand-high skilled trades, I encourage partnerships that foster employment outcomes. I offer the following suggestion.

In the Des Moines, IA IVRS has partnered with the Community College and Workforce Partners and developed a project with the following Purpose and Goals:

- Purpose: To organize individual agency efforts into collaborative, proactive customer-based activity that leverages resources of each organization to improve access for persons with disabilities to the local labor market.
- Goal 1—To increase outreach to business and industry through the delivery of technical assistance, consultation and training by the community college, vocational rehabilitation and Veterans Administration staff.
- Goal 2—To bring the employment life and academic experience for students with disabilities into balance through practical application of learning
- Goal 3—To increase the numbers of persons with disabilities employed on all campuses.

The strategies developed through such a project have resulted in:

- New relationships with local business and industry
- Consultation and technical assistance to encourage business and industry to become “disability friendly”
- Development of new apprenticeship models
- Increase in employment of persons with disabilities on the community college campus

Thank you for the opportunity to respond.

Without objection, this hearing is adjourned.

[Whereupon, at 4:43 p.m., the subcommittee was adjourned.]

