



February 5, 2018

Mick Mulvaney  
Director, Office of Management and Budget  
725 17<sup>th</sup> Street, NW  
Washington, DC 20503

Dear Director Mulvaney:

As you develop the Fiscal Year (FY) 2019 budget requests for the Departments of Labor and Education, the Campaign to Invest in America's Workforce (CIAW) urges you to include adequate investments in workforce and education to meet the needs of businesses and workers. CIAW is a diverse coalition of national organizations that offer direct services, advocacy, research, and policy development to help people of all ages and conditions develop their skills, enter gainful employment, and enroll and succeed in postsecondary education.

Congress continues to negotiate a budget agreement and funding levels for FY 2018, and the administration's budget request for FY 2019 offers the opportunity to reinforce the administration's commitment to meeting businesses' skill needs and improving workforce education and training opportunities for all workers.

Job creation has been a primary focus for this administration. In 2017, President Trump described workforce development and vocational training as "very important" and supported the goal of creating five million new apprenticeships in the next 5 years. Vice President Pence committed to strengthening and expanding opportunities for career and technical training across the country, and the Secretaries of Labor and Education have heralded the importance of job training and education (respectively) to develop the pipeline of workers businesses need. Without adequate investment, however, it is impossible to realize the administration's goals.

Today, businesses in nearly every state are struggling to find workers with necessary skills. Middle skill jobs—those requiring more than a high school diploma, but not a four-year degree—make up 53 percent of today's labor market, but only 43 percent of U.S. workers are trained at this level. At the same time, there are millions more low-skill workers than low-skill jobs. With unemployment at just over four percent, this means filling vacant middle-skill jobs will require training and upskilling workers across the country – the primary goal of the nation's workforce development system.

The workforce development system, and the workforce education and training programs that rely on federal investments in this system, are crucial to workers' ability to develop the skills



businesses need. Federal investments in the workforce system show significant returns on investment, helping individuals get jobs, improve their earnings, and contribute to their local economies in countless ways. Inadequate investment, though, leaves rural and urban businesses struggling to find workers with appropriate skills, and it leaves workers without meaningful pathways to better-paying jobs.

As states and local areas work desperately to meet the needs of local industry and workers, diminishing federal support means even fewer businesses have access to workers with the skills they need.

- In Louisville, Kentucky, the workforce development board is tasked with serving seven area counties. In the past year, they have been forced to close workforce centers serving six of those seven because of insufficient federal investment.
- Near Syracuse, New York, Adult Educators are restricted to serving less than ten percent of eligible participants because of draconian cuts to federal investments over the past decade.
- And in Southeast Michigan, just one region contributing to the more than two-million unfilled manufacturing jobs across the country, recipients of federal funding describe having reached a “tipping point” at which further cuts no longer mean fewer services for fewer people, but will mean providers can no longer offer *any* services to an area of the country with significant demand for skilled workers.

Yet even as funding for the Workforce Innovation and Opportunity Act (WIOA) has declined by 43 percent, funding for secondary and postsecondary Career and Technical Education (CTE) programs by 34 percent, and funding for Adult Education by 21 percent since 2001, programs using these funds have seen successful returns on diminishing investments. Indeed, WIOA, authorized in 2014, is stimulating both innovation and opportunity:

- In Chicago, Illinois, one WIOA service provider recorded a return on investment (ROI) of \$4.85 for every dollar of federal investment.
- In Raleigh, North Carolina a youth program documented an ROI of \$14.48 for every dollar of federal investment.
- The Coalition on Adult Basic Education (COABE) reports that every adult education student in Washington State is required to be on a dedicated college and career pathway to living wage employment and new WIOA programming now provides students with the opportunity to develop skills to be college ready.
- A cost-benefit analysis of YouthBuild’s targeted intervention program aimed at youthful offenders found (1) evidence of reduced recidivism and improved education outcomes, and (2) a positive benefit-to-cost ratio, showing that every dollar spent on every court-involved youth is estimated to produce a minimum return of \$10.80.



Investments in secondary and post-secondary education have provided similar returns to the U.S. economy. In Wisconsin, taxpayers receive \$12.20 in returns for every dollar invested in the technical college system, and research has repeatedly shown that these investments result in increased tax revenue and heightened civic engagement across the country.

And a recent report by economists at Columbia University demonstrates the significant return on investment for national service programs like the Corporation for National and Community Service's AmeriCorps program and related activities: every dollar invested in national service generates almost \$4 in returns to society in terms of higher earnings, increased output, and other community-wide benefits.

Far from being outliers, results like these are common across workforce and education programs funded under the Departments of Labor and Education budgets. And these returns mean a healthier U.S. economy for our workers and our businesses.

Before we can see the returns, though, this administration must make adequate investments. CIAW urges you to make the following investments to prepare workers for jobs in the future as well as those U.S. businesses are trying desperately to fill today.

- 1. Fully fund the Workforce Innovation and Opportunity Act:** In 2014, Congress overwhelmingly approved WIOA to modernize our workforce system and make it more responsive to industry. In 2015, programs authorized under WIOA served nearly 7 million young people and adults, exceeded employment targets across all programs, and helped more than 1.5 million individuals (including English language learners) gain skills and credentials to help them succeed in the labor market. Yet, as investments in WIOA formula and national programs continue to decline, the modernization necessary to meet business needs becomes impossible. To continue offering workers these opportunities to develop skills necessary to meet business demands, the administration should:
  - Fund WIOA Title I employment and training programs at authorized levels so states, local areas, and other partners can fully realize the bipartisan vision outlined by WIOA and bring more out-of-school youth productively into the workforce;
  - Fund adult education and literacy programs under Title II of WIOA at least at authorized levels to ensure that the 36 million Americans with low basic skills can take advantage of existing and emerging economic opportunities;



- Fund Wagner-Peyser Employment Services (ES) activities under Title III of WIOA at current-year levels to give states the additional resources they need to provide WIOA's intensive reemployment services;
  - Fund the vocational rehabilitation program and other employment services authorized under WIOA Title IV for adults and students with disabilities;
2. **Request necessary funding to support CTE:** Congress is poised to reauthorize the Carl D. Perkins Act, which funds secondary and postsecondary CTE programs and supports the development and implementation of high-quality programs that combine rigorous academic content with occupational skills training. CTE programs serve 11.8 million secondary and postsecondary learners per year. Participating in a CTE program decreases the risk of students dropping out of high school, and all 50 states and the District of Columbia report higher graduation rates for CTE students compared to all students. In fact, the graduation rate for students who take a concentration of CTE courses is about 93 percent, approximately 10 percent higher than the national average. The administration should fund CTE state grants at least at \$1.3 billion to support CTE programs aligned to needs of business and industry.
  3. **Sustain federal investment to support students paying for college:** Community and technical colleges are uniquely positioned to help train the next generation of American workers and to address the educational challenges created by emerging industries and technological advancements. Students attending these schools can receive a degree or credential in an in-demand field for a fraction of the cost of attending other institutions; saving an estimated \$3,520 on a degree or certificate. Yet, even with this significant savings, tuition and other costs associated with these programs are often prohibitively expensive for the workers most in need of skills training. The administration should:
    - Preserve existing investments in Pell Grants, including the current reserve fund, to ensure that the more than 2.8 million low-income community college students receiving this critical financial assistance can continue to pursue their education; and
    - Invest in partnerships between businesses, adult and secondary education providers, and other stakeholders to ensure that students can obtain industry-recognized credentials through programming that facilitates the success of today's nontraditional students.
  4. **Align workforce and education with investments in work based learning and apprenticeship:** Last year, the President signed an Executive Order tasking the



Department of Labor with expanding apprenticeship and work-based learning across the country. The administration should request funding adequate to ensure a diverse pipeline of workers have access to high-quality work-based learning opportunities that lead to good jobs. These programs reinforce employee engagement, lead to better morale, higher retention and lower turnover. For workers in need of training, these programs offer an onramp to a career pathway that includes a paying job from the start. Structured on-the-job learning enables workers to efficiently develop the skills needed to be productive. The administration should request at least \$95 million for the Department of Labor, in consultation with the Department of Education, to invest in expanding access to high-quality apprenticeship and work-based learning programs.

5. **Maintain support for data collection on program effectiveness:** Education and workforce data are essential for monitoring program effectiveness and guiding program improvement, which are particularly important in a constrained budget environment. Improved state data systems are imperative to demonstrate how WIOA strategies like sector partnerships and career pathways are helping participants obtain employment and enabling employers to meet their skilled workforce needs. The administration should request funding at no less than current year levels for DOL's Workforce Data Quality Initiative and Department of Education's State Longitudinal Data Systems grants.
6. **Invest in job training and employment services for all workers:** The Senior Community Service Employment Program (SCSEP) is a critical component in our country's workforce development strategy and helps unemployed older adults develop new skills and work experiences through work-based learning assignments in their communities. Despite entering the program with multiple barriers to employment, thousands of older adults from every state found jobs last year through SCSEP and are now contributing to the workforces of the nearly 5,400 private and public-sector employers who recently hired SCSEP participants. In addition to older workers, the Homeless Veterans Reintegration Program helps more than 21,000 homeless veteran' reintegrate into the workforce annually. The program enables veterans to secure stable housing and employment through holistic, veteran-centered community services. The administration should:
  - Fund the job training and employment services for older workers (Senior Community Service Employment Program) at no less than current year levels; and



- Maintain the proposed funding increase for employment services for at-risk veterans (Homeless Veterans Reintegration Program);

It is critical for this administration to invest in the skills of our nation's workforce, so that workers can support themselves and their families and enable businesses have access to the skilled workers they need to compete in the global economy. We urge the Administration to support the workforce development and education systems with the resources necessary to continue to meet this vital need.

If you have questions about this letter, please contact Kermit Kaleba at [KermitK@nationalskillscoalition.org](mailto:KermitK@nationalskillscoalition.org). Thank you for your attention to these important matters.

Sincerely,

Advance CTE  
American Association of Community College Trustees  
American Association of Community Colleges  
Association for Career and Technical Education  
Association of Farmworker Opportunity Programs  
Augustus F. Hawkins Foundation  
California Workforce Association  
Coalition for Adult Basic Education  
Corps Network  
Center for Law and Social Policy (CLASP)  
Easterseals  
Goodwill Industries International, Inc.  
Heartland Alliance  
Indiana Workforce Board Association  
International Economic Development Council  
Jobs for the Future  
Maryland Workforce Association  
Massachusetts Workforce Board Association  
Michigan Works! Association  
National Alliance for Partnerships in Equity (NAPE)  
National Association of Counties  
National Association of Development Organizations  
National Association of Regional Councils  
National Association of Workforce Boards



National Association of State Workforce Agencies  
National Council on Aging (NCOA)  
National Council for Workforce Education  
National Skills Coalition  
National Youth Employment Coalition  
New York Association of Training and Employment Professionals  
North Carolina Association of Workforce Development Boards  
Oregon Workforce Partnership  
Pennsylvania Workforce Development Association  
ProLiteracy  
Rocky Mountain Workforce Development Association  
Sargent Shriver National Center on Poverty Law  
Texas Association of Workforce Boards  
United States Workforce Association  
United Way Worldwide  
Workforce Data Quality Campaign  
Young Invincibles  
YouthBuild USA