



April 28, 2021

House Education and Labor Committee

Full Committee Hearing: *Building Back Better: Investing in Improving Schools, Creating Jobs, and Strengthening Families and our Economy*

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

Introduction

Good afternoon Chairman Scott, Ranking Member Foxx, and members of the Committee. My name is Bob Lanter, Executive Director of the California Workforce Association, a non-profit representing the 45 local workforce development boards across our state. I am honored to join you to discuss the urgent federal investments needed to create jobs and further stimulate the economy. The federal workforce system, established by the Workforce Innovation and Opportunity Act (WIOA), is geared to devote additional resources immediately to those individuals, industries, and communities which need them the most. The proposed \$100 billion federal workforce development investment in the Biden Administration's American Jobs Plan would set our country on a sustainable, equitable path out of this severe economic disruption. Combining this workforce development investment with the infrastructure projects and job creation possible in the American Jobs Plan would accelerate the recovery.

I will cover the following policy and funding recommendations to ensure key components of the American Jobs Plan meet the moment.

- **WIOA should be directly funded to provide immediate economic recovery services.** The legislation's ability to directly fund workforce boards and critical recovery activities at the local level will allow Congress and the Administration to take advantage of the established network of local, regional, industry and civic leaders who lead workforce development

boards. These workforce boards and their partners can quickly identify and allocate skill development and job training resources on main street in their communities.

- **Funding must be made available to ensure communities can build an equitable recovery.**

The American Jobs Plan calls for \$12 billion in investments targeted towards building equity in labor markets, including for ex-offenders and justice involved youth. This funding is critically needed to assist with ongoing efforts to support laid-off workers disproportionately impacted by COVID-19, who are often low-wage and in need of new training, both remedial and vocational, that would lead them on a path out of poverty.

- **Fund industry and sector-based training to build talent pipelines that lead to family sustaining wages.**

Initiatives linking industry in a shared labor market with partners like workforce boards, educational institutions, skills-based training providers, economic development organizations, labor and joint-labor management partnerships, and community leadership are critical in addressing skill gaps. Workforce boards already have these partnerships created and additional funding would help meet short- and long-term industry needs.

- **Invest in Proven and Effective Models.**

Registered apprenticeships are a valuable tool for the workforce development system as well as employers and participants. The increased investment and focus in the American Jobs Plan on scaling apprenticeships will ensure greater access to infrastructure jobs and other non-traditional occupations.

Immediate Impact for Businesses and Job Seekers through Local Investment

One of the advantages of the federal workforce system, as funded and designed in the *Workforce Innovation and Opportunity Act (WIOA)*, is the ability to leverage and engage broader stakeholders such as education and training providers, business, labor management partnerships, and economic development organizations. Federal funds, invested locally through workforce boards can be intentionally directed to those regions of our communities where businesses and individuals need them most. State and local workforce boards are truly built to

be silo-busters when led correctly. Increased direct funding through WIOA allows for these existing partnerships to expand and address the significant workforce challenges we face like skills mismatch, long-term unemployment, and jobs vanishing due to COVID-19. The investments in the workforce system found the American Jobs Plan can not only support incredible economic growth looking to the future but be distributed in a way that breaks cycles of racism and inequity in labor markets.

As an example, in California, Stanislaus County provided CARES Act funds to their local Workforce Board to administer grants to over 1,100 businesses negatively affected by COVID-19. With these funds, the businesses retained over 11,750 employees during the height of the pandemic. The existing employer relationships of the workforce board led to the success of this effort, accelerating the speed and precision at which the funds were allocated locally.

The workforce development investments in the American Jobs Plan would enable workforce boards to further develop and expand career services and pathways for the millions of Americans out of work, including those who are long-term unemployed. According to Department of Labor data, there were 4.2 million Americans unemployed for more than 27 weeks through March 2021 and 11.4 million Americans reported being unable to work because their employer closed or lost business due to the pandemic.¹ Studies show that the longer an individual stays unemployed, it becomes increasingly difficult to re-enter the labor market, let alone to achieve the types of jobs and careers that will allow one to become self-sufficient and raise a family in California. This is a significant threat to our economic recovery. Career pathways are developed in partnership with business, labor organizations and education providers, and incorporate in-demand skills into program delivery. Its collaborations like these that lead to better outcomes in job placement, wage gain and skill development. Funding these efforts allow local businesses to directly inform curriculum provided, making skills training more responsive to industry needs, while making that training universally available to unemployed workers. The additional funding the American Jobs Plan would build the capacity in local workforce development boards to support these efforts.

¹ <https://www.bls.gov/news.release/empsit.nr0.htm>

The principles for the workforce investments in the American Jobs Plan come from the *Relaunching America's Workforce Act*, legislation led by Chairman Scott and many others on this Committee, which provides additional WIOA funding and important flexibilities like creating career pathway programs by aligning career and technical education (CTE) and Adult Education, increasing workforce board and community college partnerships, expanding access to career services, and increasing the cap on incumbent worker training. These flexibilities are key in updating our public workforce investment system. As an example, increasing the cap on incumbent worker training will allow more employers the ability to upskill their current workers, opening entry level positions that then can be filled with the individuals currently participating and receiving services in the workforce system. That helps create and facilitate a robust talent pipeline at the local level.

Equity in the Recovery

Unfortunately, the impacts of COVID-19 hit the most vulnerable populations earlier and longer. These effects continue to create significant barriers to employment for minorities, women, disabled individuals, out-of-school youth, ex-offenders, and others vulnerable communities.² Affordable access to childcare, transportation, food, and housing often prevent these individuals from enrolling in education and training programs or even getting a job. Addressing these inequities and providing robust support services for these populations is critical. We continue to see signs that an economic recovery will not necessarily mean everyone will recover equitably. Recent data from the Opportunity Insights Economic Tracker shows that compared with those making over \$60,00 per year annually, where employment rates are down 1.6% from pre-pandemic levels, nationally, employment rates for individuals earning less than \$27,000 per year annually are still down nearly 30% from pre-pandemic levels.³ Our rates in California have been mirroring this data month to month. The uneven recovery will continue to push low wage workers further behind.

² <https://crsreports.congress.gov/product/pdf/R/R46554>

³ <https://www.tracktherecovery.org/>

As we have seen during the last year, millions of workers in the hospitality, travel and leisure, restaurant, and retail industries were displaced due to COVID. The historic increase in unemployment further reduced opportunities for vulnerable populations like ex-offenders and justice involved youth. President Biden and California's Governor Newsom have stressed that we need to work towards an equitable recovery. The American Jobs Plan calls for \$12 billion in investments targeted towards building equity in labor markets. This funding can be leveraged with other dislocated worker funding to support workers who need help the most, including the lower-wage and lower-skill workers, to obtain the needed training, both remedial and vocational, that would lead someone on a path out of poverty into family sustaining wages. In California, the legislature has funded the Breaking Barriers Initiative, which provides \$25 million in general funds to support partnerships between community-based organizations and workforce boards designed to target vulnerable populations, including ex-offenders, and bridge them into one of three outcomes; enrollment into post-secondary vocational education, enrollment into pre-apprenticeship or apprenticeship programs, or placement into a job that is has a career path to self-sufficiency. Similarly, California's Prison to Employment Initiative aligns probation, parole, and employer engagement through the local workforce boards to provide job training and wrap-around re-entry supports to individuals exiting incarceration. Programs like this that break cycles of inequities in the labor market can be expanded. Workforce boards are well-positioned with our industry partners to deliver these services at a wider scale with the funding levels in the American Jobs Plan.

Fund Industry and Sector-based Training to Build Talent Pipelines

The American Jobs Plan calls for a \$40 billion investment in a new dislocated worker program and sector-based training initiatives. In my 30-year career, there are fewer people served by the workforce system that are more challenged to re-enter the workforce than a dislocated worker. Often, long work history with little reskilling over time is a recipe for long-term unemployment unless there are interventions like lifelong learning. Our Nation's retraining system must allow laid off workers to not only retool but provide the necessary supports to successfully complete

training programs and obtain quality employment. Supports such as stipends while a person is in training, rental and food assistance, childcare, and cost of books and other educational supplies are often the root cause of failure when one does not complete a program. Significant investment in these sector-based training models offer tremendous opportunity for all dislocated workers to enter a career pathway and improve job quality.

In California, the High Road Training Partnerships (H RTP) initiative is a \$10 million demonstration project designed to model sector-based strategies from around the state, ranging from transportation to health care to hospitality. The H RTP model exemplifies a focus on industry partnerships that deliver equity, sustainability, and job quality. This unique sector approach simultaneously addresses urgent questions of income inequality, economic competitiveness, and the impact of climate change through regional skills strategies designed to support economically and environmentally resilient communities across the state. The industry-based, worker-focused training partnerships build skills for California’s “high road” employers — firms that compete based on quality of product and service achieved through innovation and investment in human capital and can thus generate family-supporting jobs where workers have agency and voice. Essential elements include industry led problem solving, partnership as a priority, worker voice and training solutions. California’s Governor and State Labor Agency will continue to invest in this model, and it could be expanded with the workforce development investments from the American Jobs Plan.

Investing in Effective and Proven Models

The American Jobs Plan proposes \$48 billion to build the capacity of the workforce development system. One of the key areas for this effort is registered apprenticeship. Registered apprenticeship is an exemplary and proven ‘earn and learn’ model- programs that provide individuals with excellent training leading to high wage jobs while employers invest in their communities and enjoy years of increased returns on an apprentices’ labor. The increased investment in this effort from the American Jobs Plan would allow workforce boards to become more active intermediaries in registered apprenticeships and increase participation from non-

traditional industries. Costs for curriculum development, training wage subsidies for hard to serve populations, data collection and validation should be allowed and supported through this legislation. Funding start-up costs such as these would particularly benefit small businesses as they cannot always support this program development with funding or program administration/supervision. Scaling apprenticeships, to include youth apprenticeships, would dramatically increase skills and wages for millions of workers and provide a better workforce for businesses. Right now, in California we have several successful models of Registered Apprenticeship Programs in industries such as IT, engineering, manufacturing, early childhood education, and aerospace that combine re-training efforts while also lifting vulnerable populations out of poverty. Beyond traditional industries, Registered Apprenticeship is a proven model for non-traditional occupations as well. For example, CWA worked with partners to develop the Nation's first Registered Apprenticeship Program for workforce development professionals. This Workforce Development Apprenticeship Program (WDAP) has enabled over 70 workforce professionals to learn about their critical roles in the workforce development industry while at the same time experience what it is like to be an apprentice. If we are successful, efforts like the ones already underway in California will be expanded.

Increase Access to Lifelong Learning

As the United States moves closer to providing free community college, workforce boards and their education partners can work together to expand to more innovative and technologically advanced workforce programs, providing more offerings to close any gaps in 4-year university offerings, and overall provide more resources to job seekers to navigate vocational education and their return to work. Additionally, expanding funding for non-credit workforce training programs which are currently outside the scope of traditional financial aid is critical to improve the efficacy of these efforts. These programs are often critical to the success of not only workforce programs, but most sector initiatives. The colleges' ability to design curriculum that meets the current needs of employers and industry is greatly increased when utilizing the non-credit system. These non-credit, contract education courses provide higher placement

outcomes because they are usually designed based on local demand. However, these programs are not adequately funded through WIOA, and additional funding through the American Jobs Plan would allow workforce boards to support this vital activity in greater volume. Whether workforce boards are serving adult or youth participants, the cost of training programs is a significant barrier. Postsecondary and industry recognized credentials earned in these programs provide a passport to better jobs; far too often, our most vulnerable workers face multiple barriers to employment, such as not having a high school diploma, which limits their options for further education and career pathways. Workforce boards create and develop 'on-ramps' and programs available to prepare individuals for these pursuits. Greater access to community college and that level of training will open so many doors and create a more stable talent pipeline for industry.

Conclusion

In closing, the investments in the American Jobs Plan will facilitate thousands of successful workforce and economic development models like the ones I have spoken about this afternoon. Providing resources that are desperately needed by workforce stakeholders will lead millions of individuals from unemployment and low wage dead-end jobs to education and careers that will lead them on a path out of poverty.

Recommendations:

- **WIOA should be directly funded to provide immediate economic recovery services.** The American Jobs Plan's ability to directly fund workforce boards and critical recovery activities at the local level will allow Congress and the Administration to take advantage of the established network of local, regional, industry and civic leaders who lead workforce development boards.
- **Funding must be made available to ensure communities can build an equitable recovery.** This funding is critically needed to assist with ongoing efforts to support laid-off workers

disproportionately impacted by COVID-19, who are often low-wage and in need of new training, both remedial and vocational, that would lead them on a path out of poverty.

- **Fund industry and sector-based training to build talent pipelines.** Initiatives linking industry in a shared labor market with partners like workforce boards, educational institutions, skills-based training providers, economic development, labor and joint-labor management organizations, and community leadership are critical in addressing skill gaps.
- **Invest in proven and effective models.** Registered apprenticeships are a valuable tool for the workforce development system as well as employers and participants. The increased investment and focus in the American Jobs Plan on scaling apprenticeships will ensure greater access to infrastructure jobs and other non-traditional occupations.

I would like to thank the Chairman and Ranking Member for the opportunity to testify and I look forward to your questions.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Robert A. Kohn". The signature is stylized and cursive.

Executive Director