

March 14, 2017

The Honorable Mick Mulvaney
Director
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear Director Mulvaney:

The Campaign to Invest in America's Workforce (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. As the Trump Administration develops its Fiscal Year 2018 budget requests for the U.S. Departments of Labor and Education and related agencies, CIAW urges you to include adequate investments in job training and adult education so these programs have the capacity to meet the Administration's job creation goals.

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. This skills gap leaves rural and urban businesses struggling to find workers with appropriate skills, and it leaves workers without meaningful pathways to better-paying jobs.

Congress has acknowledged the need to address this issue and to reform our nation's workforce development strategy. In 2014, the Workforce Innovation and Opportunity Act (WIOA) was signed into law after being passed by wide bipartisan majorities in the House and Senate. WIOA contains significant changes that will help better match employers with the skilled employees they need to grow. These include fewer and better-aligned performance metrics (including a measure of effectiveness in serving employers), a simpler structure for workforce development boards, and integration of best practices such as industry partnerships and career pathways.

Final regulations to implement WIOA were completed last year. As a result, states are now finalizing their plans to align their employment and training programs with regional economic development strategies that benefit businesses and workers alike. Maintaining funding for WIOA implementation is needed for states to fully carry out congressional reforms. Doing so will improve our nation's economic competitiveness and ensure comprehensive workforce strategies are in place to support national priorities, such as rebuilding our infrastructure.

WIOA, as well as the upcoming reauthorizations of the Carl D. Perkins Career and Technical Education Act and the Higher Education Act, provide unprecedented potential to develop America's workers through access to effective workforce education and training. For this potential to be realized, sustained funding is required.

However, we are deeply concerned by reports that indicate the Administration will propose cuts of up to \$54 billion in non-defense discretionary spending in FY 2018, in addition to elimination of some programs. These cuts that would come on top of historic disinvestments in critical workforce and education programs and the already low caps on non-defense discretionary spending under the 2011 Budget Control Act. Funding for state workforce grants, which WIOA reformed to be more responsive to industry needs, have been cut by 38 percent since 2001. Despite strong bipartisan support, career and technical education programs that prepare workers for the jobs of tomorrow have been cut by 32 percent since 2001. Investments in adult education have been cut by 21 percent since 2001. AmeriCorps is authorized to provide opportunity for 250,000 youth and veterans to serve their country and gain in-demand skills but is only funded to meet the needs of 80,000 participants.

We simply cannot compete in the global economy if we keep cutting and eliminating effective programs.

CIAW urges you to maintain parity between defense and non-defense spending levels, and recommend adequate funding for critical programs under WIOA, the Perkins Act, the Higher Education Act, Homeless Veterans Reintegration Program, Title V under the Older Americans Act (OAA), the Corporation for National and Community Service's programs like AmeriCorps, and related activities, as part of the Administration's FY 2018 budget request. You can find further details regarding specific funding recommendations in the attached, "Funding Challenges: Adult and Youth Education and Training for FY2018." All related programs should be funded at least at the authorized levels set by Congress.

If you have questions about this letter or its attachments, please contact Paul Seifert, CIAW Convener, at paul.seifert@goodwill.org or 240-333-5478. Thank you for your leadership, your commitment, and your attention to these matters that are so important to unlocking our nation's true job creating potential.

Sincerely,

AdvanceCTE
AFL-CIO
American Association of Community Colleges
American Federation of Teachers, AFL-CIO
Association for Career and Technical Education (ACTE)
Association of Community College Trustees
Association of Farmworker Opportunity Programs
Center for Law and Social Policy (CLASP)
Coalition on Adult Basic Education
Corporation for a Skilled Workforce
Council for Adult and Experiential Learning
Easterseals

Goodwill Industries International
Heartland Alliance
International Association of Jewish Vocational Services
International Economic Development Council
Jobs for the Future
National Association of Development Organizations
National Association of Regional Councils
National Association of Workforce Boards
National Association of Workforce Development Professionals
National College Transition Network at World Education, Inc
National Council for Workforce Education
National Council of La Raza
National Council of State Directors of Adult Education
National Fund for Workforce Solutions
National League of Cities
National Skills Coalition
National Youth Employment Coalition
ProLiteracy
Sargent Shriver National Center on Poverty Law
The Corps Network
Workforce Data Quality Campaign
Young Invincibles
YouthBuild USA

Funding Challenges: Education and Training for FY 2018

Reinvest in the skills of America's workforce, including fully funding the Workforce Innovation and Opportunity Act (WIOA) and the Older Americans Act – Despite declining unemployment over the past few years, 7.6 million people remained unemployed as of January 2017; 1.9 million of those have been jobless for 27 weeks or more. While our economy is headed in the right direction, further investment in job training and education is necessary to ensure workers have the skills employers rely upon to compete in the global economy. To reach this goal, the Administration's request should fund both formula and national grant programs at or above authorized levels. The Administration's budget request should:

- Fund WIOA Title I employment and training programs at least at statutorily authorized levels so states, local areas, and other partners in the public workforce system can fully realize the bipartisan vision outlined by WIOA. This includes state adult, dislocated worker, and youth formula grants under Title I-B, the Job Corps program under Title I-C, and national grants under Title I-D. The nation's workforce system plays a critical role in meeting the skill needs of high demand employers and of regional economies. In PY 2015, the system served over 6.8 million participants, two-thirds of whom (over 4 million people) were placed into employment, many of whom were provided with the skills needed by employers through workforce training programs.
- Fund adult education and literacy programs under Title II of WIOA at least at authorized levels to ensure that Americans with low basic skills are able to strengthen their educational levels in order to take advantage of emerging economic opportunities. OECD research shows 36 million adults in the U.S. have low basic skills, yet current funding only supports serving about 1.7 million eligible participants a year.
- Fund Wagner/Peyser Employment Services (ES) activities under Title III of WIOA at current levels to give states the necessary resources to provide WIOA's intensive reemployment services while implementing the new law.
- Fund the vocational rehabilitation program and other employment services authorized under WIOA Title IV for adults and students with disabilities. Substantial updates to Title IV require important updates to our workforce development system's service delivery to individuals with disabilities. These updates reflect the bipartisan understanding that significant barriers to employment exist for many with disabilities. Investment in these individuals

would boost their access to the training and education necessary to develop skills employers value.

- Fund job training and employment services for older workers and veterans authorized through the Older Americans Act and other laws at no less than level funding. Title V of the Older Americans Act authorizes the Senior Community Service Employment Program (SCSEP), the only federal workforce development program targeted to serve older Americans. Last year, more than 65,000 low-income jobseekers ages 55 years and older updated their skills through on-the-job SCSEP training and provided nearly 35 million hours of support to libraries, senior centers, schools and other community- and faith-based organizations across the country. The Homeless Veterans' Reintegration Program is the only federal nationwide program focused exclusively on the employment of veterans who are homeless or at risk of homelessness. Last year, 17,000 veterans received job training and employment supports through HVRP. Funding at the authorized level of \$50 million would mean an additional 5,000 homeless veterans could be served through HVRP.
- Maintain or increase the \$90 million investment in apprenticeship programs. This investment ensures that apprenticeship programs across the country continue to grow and better serve workers seeking training and employers that need to hire them to support the expansion and growth of their businesses. Attention should also be paid to engaging pre-apprenticeship programs to increase opportunity for new partnerships and new types of apprenticeship programs.

Request necessary funding to support Career and Technical Education (CTE) – The Carl D. Perkins Career and Technical Education Act (Perkins Act), which supports our nation's high schools, technical centers and community colleges in providing the education necessary to develop the highly skilled workforce demanded by employers, has been cut more than 30 percent since 2001. These cuts are incompatible with our nation's increased need for skills obtained in CTE education and training programs. Federal workforce and education investments must be targeted so jobseekers can access high-quality education and training that results in market-ready skills and credentials, and to support employers' engagement in aligning training with their skill requirements. The Administration's request should reflect additional funding necessary to restore and strengthen the investment in the basic state grant and implement the programmatic changes of the impending reauthorization of Perkins, including additional discretionary funds to support the development and implementation of innovative CTE strategies, including partnerships between CTE providers, employers, and other key stakeholders. The Administration should request at least FY 2010 levels, or approximately \$1.3 billion.

Modernize and reinvest in the Pell Grant Program – As Congress prepares to reauthorize the Higher Education Act, the Administration's budget request should include investments in implementation and reflect the necessity to update HEA to reflect realities of today's students. The Administration should retain the current Pell Grant surplus and reinvest in the program. Surplus funds exist in part due to prior cuts to the Pell Grant program. Those cuts resulted in a loss or reduction of financial assistance for thousands of students. Surplus funds generated from reductions in student aid should now be

reinvested back into the program, and not diverted away from postsecondary student aid. The Administration's budget request should include investments to protect and modernize the Pell Grant program, including:

- Reinstatement year-round Pell Grants. Providing Pell Grants beyond the current two semesters or three quarters could increase persistence and graduation rates by forestalling summer learning loss and giving students the opportunity to complete their degrees more rapidly. Students need more flexibility in accessing financial aid. In particular, low-income students should be able to enroll continuously. We urge the reinstatement of the year-round Pell Grant in order to support student persistence and on-time completion.
- Expand access to Pell funds for students enrolled in short term training programs leading to industry-recognized credentials and employment in local in-demand industries. Current restrictions on access to Pell funding limits credential attainment by students who cannot afford to access longer term training programs and stifles job growth as businesses can't access trained workers.
- Fully reinstate Pell Grant eligibility for "ability-to-benefit" (ATB) students. In 2012, Congress eliminated Pell Grant eligibility for all new ATB student in order to close a funding shortfall. ATB students lack a high school diploma or GED, yet have proven their abilities to benefit from college-level coursework either through the successful completion of classes (six credits) or by passing a test. Over the past two fiscal years, Congress has begun to incrementally reinstate Pell Grant eligibility for ATB students. Moving forward, the program should be reinstated back to its original, pre-FY 2012 structure. This would allow more students to access this essential aid.
- Maintain the current Pell Grant discretionary baseline funding of \$22.475 billion in order to preserve fiscal stability for the program.
- Maintain mandatory funding for the Pell Grant program. Cutting or eliminating mandatory funding for the Pell Grant program would potentially result in a multi-billion shortfall in future fiscal years.

Support AmeriCorps and the Corporation for National and Community Service (CNCS) – The CNCS is structured to promote public-private partnerships with local organizations and governors), particularly through the bi-partisan AmeriCorps program, in order to address critical community needs by engaging disconnected youth and veterans in high-quality, locally-driven, work-based service programs. Through those programs, students and veterans gain certifications and credentials and further education; receive education awards that can be used for training or school; and complete priority projects that are important to the community and states where they serve. Projects include disaster response, wildfire remediation, invasive species removal, infrastructure repair and development, education, construction, and community/economic development. We urge your support for funding CNCS and its critical programs like AmeriCorps State and National, AmeriCorps VISTA, AmeriCorps NCCC, and the State Service Commissions.