



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

Dear Director Mulvaney:

As you develop the Fiscal Year (FY) 2021 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 programs to meet the needs of businesses and workers, without cuts to other vital programming. 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 a coalition, we focus on the importance of investing in workforce and education programs that meet business demand, worker need, and enable our communities to prosper.

The United States is poised for unprecedented technological change in the workplace. Studies suggest at least 60 percent of jobs are going to significantly change given the impact of automation, AI and technology on the workplace. Another 15-20 percent of workers will lose their jobs and need to be trained in industries of the 21st century. **Together, this means that nearly 100 million workers will need to upskill or reskill over the next decade to stay in the workplace**, a responsibility of our public workforce and community and technical education systems. This unprecedented challenge is addressable only through investments in programs that work.

Despite this challenge, the U.S. falls behind nearly every other industrialized country in our investment in active labor market policies. Estimates from a 2018 report from the Council of Economic Advisors recognize that the U.S. puts less public investment in developing our workforce than every other industrialized nation except for Mexico. To reach even the median investment of other developed countries, the United States would need to invest \$80 billion more annually in services like those provided by our public workforce system and community and technical colleges.

This investment is a commitment to our workers, businesses and communities and is necessary to compete in a global 21st century economy.



It's also overwhelmingly popular. Ninety three percent of the public support new, public investments in skills. And 79% of business leaders support more public investment in skills, ranking government investment in skills as the second most important step the federal government can take to support business success.

This investment is the only way our country can prepare workers, businesses and our communities for the 21st century.

Despite our comparative underinvestment and the broad public support, the Administration's initial Budget Requests the past two years urged Congress to make even deeper cuts to vital workforce and education programs that would have put the U.S. further behind our international peers and at odds with what workers and businesses needs.

With bipartisan support, however, Congress has rejected these cuts.

In Fiscal Year 2020, Congress provided modest increases for much of the programming under the Workforce Innovation and Opportunity Act and for Career and Technical Education, Adult Basic Education and apprenticeships. These investments were an important recognition of the value of these programs, but far from adequate to meet current need.

To truly invest in workers, businesses and communities at a level that would prepare the U.S. to compete in a global, 21st century economy, policy makers need rectify past underinvestment and make a commitment to workers and businesses.

The United States needs to make significant increases in workforce over the next decade, including making a commitment to invest in workforce at the same rate of international peers. As a first step towards that goal, CIAW urges the administration to support the following investments in FY2021:

- 1. Restore funding for the Workforce Innovation and Opportunity Act to historic levels:** In 2014, Congress overwhelmingly approved WIOA to modernize our workforce system and make it more responsive to industry. In 2016, programs authorized under WIOA served nearly 7 million young people and adults, exceeded employment targets across all programs, and helped more than 1.3 million individuals gain skills and credentials to help them succeed in the labor market (including veterans, people with disabilities, and English language learners). Yet, investments in WIOA formula and national programs have been stagnant in recent years, after cuts of 40% over the past two decades, making



the modernization impossible. To continue offering workers opportunities to develop skills necessary to meet business demands, the administration should recommend:

- Funding WIOA Title I employment and training programs at least at 2001 levels of \$4.68 billion so states, local areas, and other partners can fully realize the bipartisan vision outlined by WIOA and provide opportunities for out-of-school youth, dislocated workers and those who need skills in order to succeed in the 21st century economy;
- Funding adult education and literacy programs under Title II of WIOA at least at 2001 levels of \$779 million to ensure that the 36 million Americans with low basic skills can take advantage of existing and emerging economic opportunities;
- Funding Wagner-Peyser Employment Services (ES) activities under Title III of WIOA at 2001 levels of \$1,109,938,639 to give states the additional resources they need to provide WIOA's labor market and career information and intensive reemployment services;
- Funding the vocational rehabilitation program and other employment services under WIOA Title IV at 2001 levels of \$3.75 billion for adults and students with disabilities; and
- Funding WIOA national programs at with adequate investment to meet business demand through investments targeting worker reentry, migrant and season farmworkers, Native American workers, YouthBuild and others.

2. **Request necessary funding to support Career and Technical Education (CTE):**

Congress recently passed the Strengthening Career and Technical Education for the 21st Century Act, which supports high-quality secondary and postsecondary CTE programs that combine rigorous academic content with occupational skills training for 11.8 million participants a year. Participating in a CTE program decreases the risk of students dropping out of high school, and CTE students have higher graduation rates compared to all students. The administration should recommend Congress double federal investment in CTE State Grants from the FY2018 level by FY 2024.

3. **Sustain federal investment to support students paying for college:** Students attending community and technical colleges 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 recommend preserving 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.

4. **Align investments in work-based learning and apprenticeship with the workforce and education systems:** In 2017, the President signed an Executive Order tasking the Department of Labor with expanding apprenticeship and work-based learning across the country. These programs reinforce employee engagement, lead to better morale, higher retention and lower turnover. The administration should request at least \$250 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 that ensures their alignment with WIOA and the broader workforce and education systems.
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. Supporting the infrastructure for high-quality labor market information and improving state data systems and research capacity 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, and to make improvements to programs to increase their effectiveness. The administration should request funding of at least current year levels for DOL's Workforce Data Quality Initiative, the Department of Education's State Longitudinal Data Systems grants, and for grants supporting state labor market information activities (Workforce Information Grants to States and the Federal-State Cooperative Statistics Program).
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 8,000 private and public-sector employers who recently hired SCSEP participants. In addition to older workers, the Homeless Veterans Reintegration Program helps more than 16,000 homeless veterans reintegrate into the workforce annually. And national service programs, such as AmeriCorps and Service and Conservation Corps, provide our nation's young people



with the essential and technical skills to be successful employees in the workforce through hands-on service and work projects. 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), and
- Continue to support this proven workforce development via national service programs by providing adequate funding for the Corporation for Community and National Service programs such as AmeriCorps.

The administration should invest in workforce and education programming that enables the U.S. to compete in a global economy, businesses to meet demand and workers to get the skills necessary to succeed in a family-sustaining job.

If you have questions about this letter, please contact Katie Spiker at katies@nationalskillscoalition.org. Thank you for your attention to these important matters.

Sincerely,