



MEMORANDUM

TO: CHP Clients
FROM: John Colbert
DATE: June 15, 2017
RE: House Education and Workforce Subcommittee Higher Education and Workforce Development hearing on WIOA implementation

Overview:

The House Education and Workforce Subcommittee Higher Education and Workforce Development held its first WIOA implementation hearing since the passage of the Act in 2014. A link to a webcast of the hearing can be found [here](#)

The hearing featured the following witnesses:

- Michelle Paczynski, Deputy Executive Director of the South Carolina Department of Employment and Workforce - [opening statement](#)
- Louis Dubin, Chair, Maryland Governor's Workforce Board - [opening statement](#)
- Ron Painter, President & CEO of the National Association of Workforce Development Boards - [opening statement](#)

Full Committee Chair Virginia Foxx (R-NC) made a brief appearance with the Ranking Member of the full Committee Bobby Scott (D-VA) before they both left the hearing to attend President Trump's rollout of an Executive Order focused on expanding apprenticeships. Dr. Foxx described the hearing as an opportunity to see if the system improvements created in WIOA have come to pass and that she welcomed President Trump's interest and efforts to improve America's workforce.

Mr. Scott followed with a brief statement highlighting how Registered Apprenticeships are a proven model and foreshadowed what could be a divide in Congress over the President's desire for industry certified apprenticeships, stating that any new models for apprenticeship would need the type of accountability we have seen with Registered Apprenticeships. He noted that there is a strong consensus that apprenticeships work and hoped that there would not be changes in the process used to register apprenticeships, as it may undercut a proven model. A link to the Executive Order on Apprenticeships can be found [here](#) as well as the transcript from the President's remarks at its signing [here](#).

The Chair and Ranking Members then departed and Subcommittee Chairman Brett Guthrie (R-KY) opened the hearing noting that it has been three years since the enactment of WIOA and the hearing will focus on the improvements made by WIOA, as well as the challenges faced at the state and local level in the implementation of this Act.

"Despite the overwhelming support for the passage of WIOA, it faced significant implementation delays during the Obama Administration.

For example, the Department of Labor missed key deadlines when issuing guidance to state and local leaders. According to the Government Accountability Office, these delays made it difficult to carry out many of WIOA's strategic priorities.

While we have a new administration, the need for congressional oversight is still essential to ensure a timely and proper implementation of WIOA.

Our conversation today could not be timelier as President Trump announces new measures to strengthen our nation's workforce education and development programs.

While the president's executive actions are encouraging, the implementation of WIOA and congressional action to reauthorize federal support for career and technical education can provide a lasting improvement to how our citizens find success through workforce development and education programs”.

Ranking Member of the Subcommittee Susan Davis (D-CA) noted that the successes of WIOA cut be undermined by the Administration's proposed FY 18 budget cuts. She highlighted the need to allow workforce programs the time to succeed:

“I was proud to be among the 400 House Members who supported WIOA when it passed the House because it sought to help workers, benefit businesses, revitalize our economy, and strengthen the middle class.

Specifically, WIOA sought to ensure working people of all ages and all abilities could get the training and skills they need to obtain well-paying jobs. And it also sought to ensure employers could hire a skilled workforce so our country can compete in the global economy.

However, President Trump's budget undermines the progress and advancements our workforce system has made these past few years. I am concerned that with the administration's budget proposals, the innovation that WIOA is fostering will be halted, stymieing these partnerships and relationships.”

Testimony:

Ms. Michelle Paczynski highlighted the success of the State of South Carolina which currently has a record number of workers employed and the lowest unemployment rate in sixteen years. The Department of Employment and Workforce (DEW) has utilized a multipronged strategy to take full advantage of the opportunities provided in WIOA. She described as the architect and ambassadors for workforce development and that WIOA provided the engine to address the concerns of the business community with the workforce system.

The State used WIOA to bring together a broad array of state agencies in support of workforce development, as well as creating a number of ongoing successful initiatives including the development of a talent pipeline in five high demand sectors; a robust relationship with major employers including Boeing, BMW, and Volvo; wraparound services including transportation demo grants to help jobseekers and incumbent workers; a highly successful reentry program in which Employment Services went “behind the wire” and 75% of program participants ended up gaining employment; as well as working with the Chamber to align with its 2025 educational goals.

South Carolina also has nearly 900 active apprenticeship programs, working in close coordination with the South Carolina Technical College System and provides employers with a \$1,000 tax credit per year for each participant.

Louis Dubin testified to the efforts of the State of Maryland's Workforce Board to identify five strategic in demand industries including Cybersecurity/IT, Healthcare/Life Sciences, Manufacturing/Skilled Trades. The Board created task forces in these arenas comprised of volunteer business and other community leaders who report to the Governor. The State Board has three core principles: inclusion, diversity, and determination. It has increased its outreach to

both the business and educational sectors to develop a better overall approach to Maryland's workforce. Along with these innovations, the State board has imposed five benchmarks of success, beyond the performance requirements in WIOA, to better judge overall programmatic performance.

Ron Painter highlighted several locally innovative approaches with businesses to help meet the needs of high demand industries. Painter also expressed his deep concern with the Administration's FY 18 proposed budget cuts that would undercut WIOA's ability to deliver services to business and jobseekers.

Key Member Questions

Rep. Guthrie – what is the most important element for a successful state workforce board?

Dubin - inclusiveness, the need to bring a wide variety of programmatic partners together – both governmental and nongovernmental, to develop a broader network for the workforce development system

Guthrie – How has WIOA expanded opportunities for business?

Paczynski – providing accelerated training along with soft skills essential in the workplace. Working closely with the Chamber, developing programs in partnership with industry. Also, tax credits for taking on apprentices has created a great incentive for employer participation.

Rep. Davis - what would be the impact of a 40% funding cut?

Painter – a decrease in training and intensive services

Paczynski – fewer services for industry and jobseekers

Davis – do you think there is a risk in apprenticeships that are not registered?

Dubin - enthusiastic about apprenticeships, CTE needs to be part of this conversation as it is another work based learning program that helps noncollege bound students get good jobs at high wages

Rep. Paul Mitchell (R-MI) – began his career in the Michigan Bureau of Employment and Training and followed workforce system since CETA. Believes that ROI is critical and happy to see improvements under WIOA, but questions whether as much funding is needed in times of lower unemployment. What are your recommendations to help foster the transition from k-12 through employment?

Dubin – Many employers are now on the State Board, as well as increased participation from education, including the Superintendent of Schools who now is a member of our SWIB.

Rep Joe Courtney (D-CT) – highlighted his local WIB's performance in working with Electric Boat in Connecticut. Highlighted that WIOA funding is currently below authorized levels and cuts mean a reduced capacity and reduces the overall momentum created by WIOA.

Painter – discussed the accountability system in WIOA and its focus on “job one” – providing talent to business.

Rep Lloyd Smucker (R-PA) – asked about the apprenticeship efforts – in what sectors are they operating?

Paczynski – construction industry has been the largest sector engaged in apprenticeships in the State.

Dubin – the State Board has worked closely with the Association of Business and Contractors and the National Security Administration, which is a major employer in Maryland.

Rep Mark Takano (D-CA) -if the workforce system is cut by 40%, can the states play a larger role in its funding?

Painter – Not many states putting their own funding into the WIOA system at this time. Believes it is about 90% federally funded.

Takano – concerned about non-registered apprenticeships, becoming a Registered Apprenticeship program is not an overly burdensome process and ensures recognized credentials are delivered.

Paczynski – In South Carolina, Registered Apprenticeship is coupled with the Technical College system as a tool to attract talent. The educational component is instrumental to its programmatic success.

Rep. Rick Allen (R-GA) – how do we help high school dropouts become employed.

Dubin – cited a CTE programming example to help engage kids in school who might otherwise have dropped out

Rep. Lisa Blunt Rochester (D-DE) – former Delaware Labor Secretary during WIA passage – highlighted the tremendous evolutions of workforce programming under WIOA – dual customers, demand driven, evidenced based, and how it is often harder to move participants to employment in times of low unemployment, as participants often have multiple barriers. Focused on disability and subminimum wage issues in questioning.

Paczynski – 15% of State's WIOA youth participants have a disability

Rep. Bradley Byrne (R-AL) – former Alabama Community Colleges Chancellor and SWIB member. Pleased with WIOA's improvements and greater private sector leadership. How can further improvements be made?

Painter – continuous improvement is a core focus at NAWB, business is working hand in glove with WIB's to improve the workforce system.

Dubin – it is a business led, volunteer board, which recruits other members of the business community to engage.

Rep. Jared Polis (D-CO) – proud of Colorado state WIOA plan and launch of Career Wise to expand apprenticeships in the State. How improve quality, accessibility, improve outcomes, and overcome barriers?

Painter – funding cuts are the greatest potential barrier, they would impact WIB's infrastructure, decrease the number of youth and adults currently seen.

Polis – how increase entrepreneurship? (Polis is the founder of Blue Mountain Greeting Cards)

Painter – work based learning, OJT and incumbent worker training.

Rep. Glenn Grothman (R-WI) – concerned with Title IV Vocational Rehab agencies not making referrals due to a lack of guidance from the Department of Education. What federal requirements would you like to repeal?

Dubin – the ability for the workforce system to do the type of marketing it needs is unnecessarily limited.

Rep Mark DeSaulnier (D-CA) – former WIB member and authored a bill to require 25% of job training funding be mandated for training. How can high performing WIB's help lower performing WIB's?

Dubin – our board is driven from the top, there is a mandate from the Governor to participate on the State board. We also have stronger benchmarks than required by WIOA.

Painter – WIB's are impeded from internal training that improve performance by budget cuts

DeSaulnier – unemployment is not the only measure that should drive WIOA funding?

Painter – correct, a skill development effort requires innovation

Rep Lou Barletta (R-PA) – need to bridge the skills gap for employers and jobseekers and move away from stigma of an employment in the trades just because it does not require a postsecondary education. Employers challenged with the needs for workers who have better soft skills and can pass drug tests. How incentivize the SWIB to engage with education?

Dubin – In Maryland, we have enhanced our work with educators under WIOA. CTE also plays an important role.

Rep. Adriano Espilliat (D-NY) -what is WIOA youth impact in urban areas?

Painter – WIOA has shifted its focus to out of school youth, but still doing summer youth with braided funding

Rep. Glenn Thompson (R-PA) – (former WIB member and sponsor of CTE reauthorization that will pass on the House floor next week). He believes in the “learn to earn” and skills based education principles that are exhibited in WIOA, CTE, ESSA, and in the upcoming reauthorization of the Higher Education Act. Has WIOA resulted in stronger private sector leadership on the boards? Are the boards in compliance with the membership requirements? Is there better demand driven training?

Painter – yes, we are making progress in recruiting business leaders to the WIB's and moving to training in demand driven occupations.

Rep. Susan Bonamici (D-OR) – supporter of WIOA and partner collaboration, deeply concerned about proposed cuts to both WIOA and SCSEP.