

## SUPPORT FUNDING FOR WORKFORCE DEVELOPMENT PROGRAMS

**ACTION NEEDED:** Urge your House and Senate members to support the local workforce development system by funding Workforce Investment Act (WIA) Title I Adult, Dislocated Worker and Youth formula grant programs in the FY2013 and FY2014 appropriations process.

**BACKGROUND:** Administered at the federal level by the Employment and Training Administration (ETA) within the U.S. Department of Labor, WIA constitutes the largest federal funding source for workforce development activities. Despite the increased demand for workforce services, federal workforce programs have seen an overall 30 percent reduction in funding since FY2001. Now, workers and businesses may face additional across-the-board cuts in workforce training under the pending sequestration process.

Title I grants for adult, dislocated workers and youth provide funds for “one stop” career centers where employers and job seekers can access job preparation and job search activities, and a more limited number of job training opportunities. These funds, authorized under WIA, are allocated through formula grants to states, with a mandatory pass through to local workforce development areas. Distributed by formula, funding is determined by the relative number of unemployed individuals and disadvantaged adults and youth within a state.

Nonprofit organizations can access funds by entering into agreements with local Workforce Investment Boards (WIBs) to provide core or intensive workforce services, either as a “one stop” or as part of a consortium of providers. Nonprofits may also become eligible training providers that participants can access through “individual training accounts” (ITAs).

Local area adult and dislocated worker funds support three categories of services: core, intensive and training.

- Core Services – include outreach, job search and placement assistance, and labor market information. Core services are available to all jobseekers, often on a self-serve basis
- Intensive Services – include more comprehensive assessments, development of individual employment plans and counseling, and career planning
- Training Services – are targeted to unemployed individuals as well as low-income workers who require training to achieve self-sufficiency. In most cases, training must be provided through ITAs, which allow participants to select and attend their choice of training program among eligible providers

Despite growing evidence of economic recovery, according to the Bureau of Labor Statistics, 7.9 percent of Americans remain unemployed, and millions more lack the job skills or educational credentials they need to

### QUICK FACTS

- Despite the increased demand for workforce services, federal workforce programs have seen an overall 30 percent reduction in funding since FY2001
- Last year, more than 9 million individuals received training and related services supported under Title I of WIA, an increase of nearly 250 percent in just two years
- WIA Title I Adult, Dislocated Worker, and Youth grant programs exceeded FY2011 performance goals set by the Government Performance and Results Act (GPRA)

advance their careers. At the same time, U.S. employers are struggling to fill current job openings, in part because they are unable to find qualified, trained candidates.

In a January 2011 report to Congress, the Government Accountability Office (GAO) wrote that “[f]ederally funded employment and training programs serve an important role in our society by helping job seekers to enhance their skills, identify job opportunities, and obtain employment.” This observation has been demonstrated by the substantial increase in demand for training and education during our nation’s economic recovery.

Last year, more than 9 million individuals received training and related services supported under Title I of WIA, an increase of nearly 250 percent in just two years, and more than half of these individuals found employment in a tough labor market. Millions more received training and employment services through other federally supported programs—such as youth, adult education, vocational rehabilitation and veterans’ rehabilitation.

Despite the increased demand for workforce services, Congress has continued to cut funding for workforce programs, and critical employment and training programs stand to lose additional funding under current proposals to reduce the federal deficit. Such cuts are already having an impact: a recent survey of workforce providers found that more than three quarters expected to reduce training as a result of reduced funding levels, and almost half anticipated cutting back on services for employers. Any further cuts to funding will seriously impact the ability of the workforce system to respond to immediate and long-term labor market demands, disrupting business growth and slowing our economic recovery efforts.

While we recognize the fiscal constraints facing Congress and the Administration, we must work together to prioritize investments in the skills of the U.S. workforce.

#### **KEY TALKING POINTS:**

- To ensure that our nation has the highly skilled workforce necessary to compete in the global economy, we urge you to, at a minimum, maintain funding for WIA Title I Adult, Dislocated Worker and Youth state formula grant programs at the pre-rescission FY2012 enacted level of \$2.8 billion.
- WIA funds at the local level are critical so that local workforce areas can maintain programs to help the millions of workers impacted by job losses and can restore the innovative services developed in response to the business sector, whose demand for highly skilled workers continues to grow. Continued disinvestment in the workforce system is undermining the best laid plans of many counties and regions across the nation. These funds help to create and fill jobs, prepare workers whose jobs have disappeared for new careers, and train the American workforce for the demands of a 21<sup>st</sup> century global economy.
- Our nation’s businesses are struggling to find the skilled workers they need to sustain economic recovery. A recent Manpower survey found 52 percent of U.S. employers are experiencing difficulty filling critical positions within their organizations—up from only 14 percent in 2010.<sup>i</sup>
- Last year, more than 9 million individuals received training and related services supported under Title I of WIA, an increase of nearly 250 percent in just two years and more than half of these individuals found employment in a tough labor market.
- According to the Employment and Training Administration (ETA) WIA Title I Adult, Dislocated Worker, and Youth grant programs exceeded FY2011 performance goals set by the Government Performance and Results Act (GPRA).<sup>ii</sup>

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<sup>i</sup> “2012 Talent Shortage Survey: Research Results” [Manpower Group](#)

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ii “Workforce System Results: Fourth Quarter, Program Year 2011, Third Quarter, Fiscal Year 2012” U.S. Department of Labor, Employment and Training Administration (ETA)