



July 7, 2020

Chairman Eric P. Lesser
Chairwoman Ann-Margaret Ferrante
Joint Committee on Economic Development and Emerging Technologies
State House
Boston, MA 02133

Dear Chairs Lesser and Ferrante and members of the Committee:

On behalf of our members, we write today as the committee considers crafting a 2020 Economic Development Bill.

The Massachusetts Workforce Association (MWA) is a statewide association representing the unified voice of the Commonwealth's workforce development system. Our members include an array of partners and stakeholders, including the MassHire Career Centers and Workforce Boards. Regionally, our members work to respond to the dynamic demands of businesses, job seekers, incumbent workers, and youth throughout the Commonwealth.

First, we greatly appreciate the work that the Legislature has undertaken thus far to respond to the unprecedented public health and economic needs during the COVID-19 pandemic. You have acted quickly and deliberately, with the Commonwealth's most vulnerable at the top of mind. As we begin to think about the economic toll the pandemic has taken on our state, particularly as it relates to jobs and economic opportunity, we must ensure we are targeting and recognizing the need for investments to close racial, opportunity, and geographic equity gaps.

Since March, the MassHire workforce system has had to adapt to a very challenging and rapidly changing environment. While MassHire Career Centers and Workforce Boards are currently physically closed to the public, their work has not ceased. Going forward, the MassHire system faces an enormous challenge to assist in the reemployment efforts for the more than 1 million people who have lost their jobs since March in Massachusetts. Many of these individuals will not be able to return to the jobs they had before the COVID-19 crisis and will need ongoing support, education, and training to help them transition to new jobs and careers.

While much of the MassHire system's funding is federal, local boards and career centers have received no additional federal funding to face this unprecedented challenge to date and are being funded as if the unemployment rate was still below 3% (federal funding formulas are based on



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the unemployment rate but do not immediately change as unemployment rates change). The MassHire system is starting the fiscal year with a 9% reduction in federal funding,

with some regions seeing their federal funding decrease by 15% and higher. This is coupled with state funding levels for key workforce programs still unknown as the new fiscal year begins. This will have a direct impact on how many people can be served by the workforce system, how many training vouchers each region will have available to help those who are unemployed or underemployed to upskill/retrain, and how much assistance can be provided to help businesses source the talent they need. For example, on the North Shore, the career center in Salem was able to quickly pivot as their center closed to offer remote services to serve more than 1,880 job seekers, including career coaching to 831 individuals, job search assistance to 678, and virtual workshops to 825 unemployed residents. This type of assistance is being offered across the workforce system but cannot continue at the scale necessary without additional funding.

We recognize that the state fiscal picture is uncertain with a significant fiscal gap in both FY20 and FY21 anticipated. However, we have to ensure that when employers are ready to hire, we have a skilled and trained workforce available. Investment now can help prevent future slow downs based on the unavailability of workers to fill the jobs in demand. Additional funding is necessary in both the MassHire system that provides essential services to businesses and job seekers and also other critical working training programs. As you think about which workforce programs to further invest in with an economic development bill, we respectfully ask that you consider the following:

- Local MassHire Career Centers (7003-0803): Career Centers are on the front line of employment and training service delivery. Although our state has made significant investments in the workforce system over the past several years, current funding levels are insufficient to cover baseline core facility and staffing needs. State investment, particularly until the federal funding formula adjusts or Congress increases investment in workforce training, will be critical for the system to respond adequately and quickly to emerging business and job seeker needs in this new virtual climate. Additionally, while DUA bears the responsibility for the unemployment insurance system, career centers are often the first place where individuals go when they become unemployed for assistance with their UI claims, short and long term job search, and connection to other public resources to support them and their families while out of work.
- Workforce Competitiveness Trust Fund (7002-1075): WCTF has been capitalized in several economic development bills in the past. With the pandemic-induced historically high unemployment rate (16.3% in May), there is an urgent need for re-skilling and upskilling to help those workers whose jobs are not coming back in the foreseeable future (primarily in the hospitality and service industry) and to train them for jobs in high-demand industries (health care, IT, manufacturing).

- Advanced Manufacturing (7002-0020): This training grant program is designed to support efforts to create a fully coordinated manufacturing training system to meet the

employment needs of manufacturers across the state. The program, coordinated through four MassHire Workforce Board consortia, focuses on providing training to unemployed and underemployed individuals, and underrepresented populations including: veterans, minorities, and women. This work also includes the development of a 5-year Manufacturing Training Strategy to continued growth in the manufacturing training system. Continued investment in this training program is vital to keeping these businesses successful post-COVID.

- Capital Skills grants: These grants, which are used for upgrading training equipment and labs at vocational schools, comprehensive schools and community colleges, have been a huge success in expanding access to high-quality career and technical programs for in-demand jobs.
- Career Technical Initiative (7002-1091): Support and funding for the Career Technical Initiative (CTI) proposal. This would add second and third shifts to the vocational technical schools and dramatically increase the number of working (and out of work) adults and out of school, disconnected young people who could get a new skill and credential. It is also well-coordinated with the MassHire system and designed to meet regional demands in occupations and industries. Today, more than ever, we need to invest in this kind of industry-led workforce development strategy.

On behalf of our members, thank you for the opportunity to share these recommendations. We would be happy to discuss them further. We have also included a regional profile from one of our members, outlining the cuts they have faced and what they are currently doing to assist job seekers and businesses.

Thank you for your continued leadership. If you have any questions or if we can provide any additional information please don't hesitate to reach out to Tonja Mettlach at tmettlach@massworkforce.com or 781-249-6032.

Sincerely,





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Tonja Mettlach

Executive Director

Massachusetts Workforce Association