

**Public Witness Hearing** | Labor, Health and Human Services, and Education Subcommittee  
Tuesday, April 9, 2019 at 2:00PM Rayburn House Office Building: 2358-C

**Melinda Mack**

*Executive Director, New York Association of Training & Employment Professionals*

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Chairwoman DeLauro, Ranking Member Cole and members of the Subcommittee, thank you for the opportunity to discuss the importance of fully funding the Workforce Innovation and Opportunity Act to at least Fiscal Year 2020 authorized levels. The WIOA Title I programs (Adult, Youth, and Dislocated Worker) are administered by the Department of Labor and FY2020 requested levels are: Adult - \$899,897,000, Youth - \$963,837,000, and Dislocated Worker - \$1,436,137,000. Title II of WIOA, the Adult Education State Grants, are administered by the Department of Education and the FY2020 requested level is \$678,640,000. The Wagner-Peysner Program at the Department of Labor FY2020 request is \$663,052,000. Vocational Rehabilitation funding is managed by the Department of Education and the FY2020 funding request is \$3,610,040,000.

My name is Melinda Mack. I am the Executive Director of New York's workforce development association, also known as the New York Association of Training & Employment Professionals. Founded in the late 1970's, our association represents every county in the State, and includes local workforce boards, providers of economic development, union training funds, colleges, literacy, education, job training, and employment service providers. Collectively, our members serve over a million New Yorkers each year.

As you know, we are in the tightest labor market in decades. Any shortage of labor directly impedes our state's ability to attract employers, hinders business productivity and economic growth potential. The challenge facing New York's economy is clear; there is not enough skilled talent to meet the current and future needs of the labor market. This is

exacerbated by the fact that nearly a quarter of workers are at or nearing retirement age; which will particularly impact key sectors like healthcare and manufacturing.

The most significant factor contributing to the skills gap, however, is the lack of foundational and technical skills in our talent pool. In our state 40% of people have a high school diploma or less and many more lack the additional supports like childcare and transportation needed to move out of low-wage work. As reported by our partners at the United Way, in New York 45% of households are living at or beneath the basic cost of living, putting them one flat tire away from not being able to put food on the table. I share this because it is critical to understand the problems we are trying to solve. We believe that any New Yorker who wants to work or improve their skills to access a better job, should be able to, and these people are the answer to the shortage of workers across the United States.

The federal funding through the Workforce Innovation and Opportunity Act, also known as WIOA, is the catalyst for public and private investment, regional coordination, and workforce system alignment across the country, and certainly in New York State. For more than a decade, New York has led in the coordination of WIOA Title I Adult, Youth and Dislocated Worker programming and Title III Wagner Peyser; with staffs co-located to serve nearly a half a million customers annually through the local American Job Center system. Under WIOA, strategic and meaningful coordination continues across the system, as we work to further integrate adult education, and vocational rehabilitation services to meet the needs of the business community.

Workforce Development does not have a one size fits all solution evidenced by the real action that takes place at the local-level. The thirty-three local workforce boards, led by more than 450 business leaders, identify regional issues and coordinate proven practices like industry-partnerships, career pathways, and apprenticeships. In a state as large and diverse as New York,

the design of WIOA provides flexibility to local leadership to quickly respond to employment demands in their community. For example, in rural Chautauqua county, the local system served more than 400, primarily small businesses, whereas the neighboring Buffalo & Erie County workforce system served 4,700 businesses that were a mix of large, mid-size, and small employers.

This regional diversity means local boards must actively match the right resources to the right talent by working with partners such as WIOA Title II programs to provide educational pathways into employment. Last year, Title II funding changed the lives of more than 90,000 New Yorkers, which is about 4% of the overall need. This programming also supported 3,500 New Yorkers in earning their high school equivalency, 53,000 improved their literacy and numeracy skills and more than 33,000 adults were connected to jobs.

For example, in the Southern Tier there was an extreme shortage of machinists. In response, the local workforce board, the regional adult education provider and a state funded workforce intermediary partnered with four local businesses to design an accelerated machining training program. The program invested federal WIOA funding to provide case management and training through the American Job Centers; contextualized adult basic education to accelerate skill acquisition and address literacy and numeracy deficiencies; all while deeply engaging the employers to develop the curriculum, provide facility tours and interviewing experience. The partnership has grown to 14 employers, and at a minimal cost of around \$5,500 per participant and has returned more than \$800,000 in wages back to the regional economy. This is just one example of many across New York State.

WIOA is also vital in connecting individuals often left out of the labor market with job opportunities and the support necessary to maintain employment. New York's system

overwhelming serves low income individuals, but also provides access to education, job training, and employment to individuals with disabilities<sup>1</sup>, low basic skills or are justice-involved. Access to hope, job training and to meaningful employment changes lives and adds real value to our economy.

In Long Island, the Suffolk County Workforce Development Board identified the need to increase employment opportunities for individuals involved in the justice-system. Together, with the county Sherriff, the system engaged the probation department, regional education providers, mental health services, and other community-based organizations to provide 662 career counseling sessions and 530 referrals to jobs. For the jail-based services, the workforce system provided 355 inmates career counseling and referrals to high school equivalency, literacy services; and job search support at the Suffolk County American Job Center after their release. Half of those who received services in jail maintained their participation in employment activities with the workforce system and today 105 have jobs.

The power of the national workforce system is real and as the economy shifts, its role will grow in importance. Technology and automation will reshape the occupational landscape and skills necessary to compete. Just in New York, it is estimated that nearly 4.8 million occupations may be eliminated or will need to adapt within the next 20 years. It is imperative that we take this opportunity to assist millions of Americans to get off the sidelines, and gain cutting-edge skills, so they do not get left behind.

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<sup>1</sup> In New York, from 4/1/18-3/31/19, 93,784 people were served through vocational rehabilitation services, including 37,539 people accessing employment. The average hourly wage at the start of services was \$12.65 while the average hourly rate after the receipt of services was \$13.97, a 10.4% hourly wage increase.

However, despite overwhelming support for investment in workforce development<sup>2</sup>, Congress has yet to meet the authorized spending levels for WIOA. In fact funding for WIOA, and its predecessor the Workforce Investment Act, has declined by 43% in the last 15 years. On behalf of my colleagues, I urge you to fully fund Titles I, II, III, and IV of WIOA at the level authorized by Congress in the Fiscal Year 2020 Labor, Health and Human Services, Education, and Related Agencies Appropriations bill. Without a spending cap/budget deal in place, these programs are at serious risk for harmful sequestration cuts when the nation can least afford them.

I also want to highlight concerning language contained in the President's FY2020 Department of Labor Budget Proposal that would give Governors more authority to re-designate and consolidate local workforce boards. The budget proposal language would waive protections given to local control by circumventing Section 106 of WIOA. As I have described, and Congress has recognized, local economic conditions are best addressed at the local level.

In conclusion, if sustained economic prosperity for America is a priority, this increased federal investment could not come at a more opportune time. The skills gap is real and will continue to grow as the future of work and the skills necessary to have a good job shift. Local workforce boards and their partners including employers, postsecondary institutions, non-profits and career and technical education programs, are at the front lines creating solutions, and they are creating hope for a better future. I've have described for you a snapshot of what is being done on the ground, imagine what the impact would be on America's economic competitiveness if we could double this effort. Thank you for the opportunity to discuss these issues today. Please consider us a resource if we can be of any help.

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<sup>2</sup> National Skills Coalition utilized ALG to conduct an online survey of 1000 likely 2020 general election voters, January 22-27, 2019, they found that nine-out-of-ten voters (93%) support increasing investment in skills and technical training, with a majority of voters strongly supporting more investment.