

Rep. Davis leads letter to House leadership on protecting vulnerable populations

December
19, 2008

As Congressional members who recognize our responsibility to address the pervasive loss of employment for our citizens across multiple job markets in this country, we urge you to maintain the workforce training programs included in the House-passed stimulus bill, H.R. 7110, as well as incorporate additional workforce training programs that are specifically directed at vulnerable populations. It is important that any stimulus package direct funding in both comprehensive and concentrated ways to workforce training programs.

All sectors of our diverse labor market have been affected by the current recession, making the formula grants to local Workforce Investment Boards authorized under the Workforce Investment Act important vehicles for distributing stimulus funding broadly to all areas of the country. In addition, we recognize that different industries and regions of the country experience greater hardship than others, requiring funding directed at specific populations that face high unemployment rates.

For both general and targeted aid, it is critical to prioritize programs that assist individuals who have lacked the opportunities to develop workforce skills and who have other barriers to employment (e.g., those formerly incarcerated, disconnected youth, people experiencing homelessness, and veterans).

December
19, 2008

The Honorable Nancy Pelosi, Speaker
Minority Leader

The Honorable John A. Boehner,

United States House of Representatives
Representatives

United States House of

Room H-232, The Capitol

Room 1011, Longworth H.O.B.

Washington, D.C. 20515
20515

Washington, D.C.

The Honorable David R. Obey, Chairman
Member

The Honorable Jerry Lewis, Ranking

Committee
on Appropriations
on Appropriations

Committee

United States House of Representatives
States House of Representatives

United

Room
H218, The Capitol
1016, Longworth H.O.B.

Room

Washington, D.C. 20515
20515

Washington, D.C.

The Honorable George Miller, Chairman
Ranking Member

The Honorable Howard "Buck" McKeon,

Committee
on Education and Labor
on Education and Labor

Committee

United States House of Representatives
States House of Representatives

United

Room
2181, Rayburn H.O.B.
2101, Rayburn H.O.B.

Room

Washington, D.C. 20515
20515

Washington, D.C.

Dear Speaker Pelosi, Minority
Leader Boehner, Chairman Obey, Ranking Member Lewis, Chairman Miller, and
Ranking Member McKeon:

Thank you for your efforts to provide increased workforce relief funding for American citizens during this period of economic hardship. Current Bureau of Statistics data paint a grim picture: one in nine workers is unemployed and looking for work, discouraged from job search or working part-time because full-time hours are not available. We understand that the House Leadership is discussing potential stimulus efforts to assist American workers during this difficult time. As Congressional members who recognize our responsibility to address the pervasive loss of employment for our citizens across multiple job markets in this country, we urge you to maintain the workforce training programs included in the House-passed stimulus

bill, H.R. 7110, as well as incorporate additional workforce training programs that are specifically directed at vulnerable populations. It is important that any stimulus package direct funding in both comprehensive and concentrated ways to workforce training programs. All sectors of our diverse labor market have been affected by the current recession, making the formula grants to local Workforce Investment Boards authorized under the Workforce Investment Act important vehicles for distributing stimulus funding broadly to all areas of the country. In addition, we recognize that different industries and regions of the country experience greater hardship than others, requiring funding directed at specific populations that face high unemployment rates. For both general and targeted aid, it is critical to prioritize programs that assist individuals who have lacked the opportunities to develop workforce skills and who have other barriers to employment (e.g., those formerly incarcerated, disconnected youth, people experiencing homelessness, and veterans).

We respectfully ask that the following initiatives be included in an upcoming stimulus package:

1. Strengthen Provisions of H.R. 7110 Related to Youth Activities Authorized by the Workforce Incentive Act. H.R. 7110 included \$200,000,000 for grants to states for youth activities under the Workforce Investment Act, increased the age limit for such programs from age 21 to 24, and adjusted the performance indicators for such programs to better reflect success in skill development. We strongly urge you: (1) To increase the amount of funding to \$500,000,000; (2) To maintain the increased age limit from 21 to 24; and (3) To maintain attainment of basic skills and job training as outlined in section 136(b)(2)(A)(ii)(I) as the only work readiness performance indicator to assess the effectiveness of youth activities provided with such funds.

2. Expand Provisions of H.R. 7110 Related to Adult Services Authorized by the Workforce Investment Act by Funding Intensive and Training Services, Prioritizing Programs Targeted to Populations with Multiple Barriers to Employment. The Workforce Investment Act, enacted in 1998 and fully implemented in 2000, authorizes Adult Services, including Intensive and Training Services that provide comprehensive assessment and case management supports for individuals in need of additional training and assistance. The Center for Law and Social Policy recently reported that, the transition from targeted services under the Job Training Partnership Act to universal services under Workforce Investment Act coupled with the mandate for a one-stop system and declining funding, the workforce development system has shifted limited

resources away from serving individuals most in need. Data from the 2008 Department of Labor Workforce Investment Act Standardized Record Data Book, reveals that the percentage of low-income adults receiving Intensive and Training Services has declined dramatically since its inception in Program Year 2001. In 2000, 84 percent of exiters who received Intensive and Training Services were low-income, whereas only 53.7 percent of the participants who completed the Intensive and Training Services were low-income in Program Year 2006. Further, businesses represent the majority of organizations comprising Workforce Investment Boards rather than community-based organizations with experience serving low-income populations. We strongly urge you to provide \$200,000,000 for grants to states for Intensive and Training Services and to include a priority for programs targeted to low-income adults and others populations with barriers to employment.

3. Expand Provisions of H.R. 7110 Related to Employment Development by Funding Programs Targeted to Areas and Industries Experiencing High Unemployment, Prioritizing Populations with Multiple Barriers to Employment. The massive, multi-jurisdictional job losses over ten consecutive months warrant the authorization of the Secretary of Labor to allocate discretionary funding to eligible entities in areas of high unemployment for job training and support services. We recognize that nonprofit intermediaries ought to be eligible to apply for this discretionary funding because of their ability to deploy resources in a timely and targeted manner. Further, these subsidies should give priority to programs with a proven track record of successfully servicing people with multiple barriers to employment, such as the Urban Youth Empowerment Program, Youth Build, Transitional Jobs programs, and the Mobile Outreach Skills Training Program.

These provisions qualify for emergency stimulus relief given the level of need of the populations and the likelihood that such funding will catalyze the economy. The need for emergency funding for workforce relief efforts is clear. Over the past 12 months, the national unemployment rate climbed by 1.7 percentage points to 6.5 percent, with 10 states as well as the District of Columbia posting unemployment rates of 7 percent or higher. In October 2008, 2.8 million more Americans were unemployed than the previous year. Last summer, even before the latest economic decline, the youth employment rate was only 32.7 percent, the lowest in over sixty years. According to statistics published by Northeastern University's Center for Labor Market Studies, there are 3.8 million 18 to 24 year-olds out of school and out of work. Further, we know low-income workers are especially affected by the challenges of a weak economy. Less-educated workers have higher unemployment rates in general, and employers are quick to cut the hours or lay off these workers when faced with a recession. Based on a 2007-2008 asset poverty study conducted by the Corporation for Enterprise Development, we also know that 44.2 percent of all households in the lowest income quartile are "asset poor," meaning they do not have enough savings to allow them to get by without income for three months, even at the low level of the federal poverty threshold. Data from the 2007 U.S. Census Current Population Survey reveal that last year, even before the current recession, one in eight Americans and close to one in four African-Americans lived in poverty, as well as more than 90 million people-close to one-third of all Americans-had incomes below 200 percent of federal

poverty

thresholds. Too many workers are stuck in low-wage jobs, and most low-wage workers experience little or no earnings growth over time. These statistics, coupled with the underfunding in federal workforce support aid over the last 8 years, reveal the need to direct funding to workforce training programs to support Americans who will be hardest hit by this economic crisis.

Directing

emergency funding to job training efforts also promises to help catalyze the economy. For example, dollars spent on summer jobs flow immediately into the local economy year round as published in the Center for Law and Social Policy's recent white paper entitled, "Beyond Stimulus: Shoring Up the Safety Net, Securing the American Dream." Just as important, these jobs serve as the first exposure to the work environment for many youth, helping develop appropriate work skills and providing important community services. Additionally, job training programs like Transitional Jobs programs and the Urban Youth Empowerment Program, which combine wage paying jobs with career preparation, are uniquely qualified to help spur our national economy because they seek out disadvantaged workers, including those who are unemployed yet desirous to enter the workforce, test their educational level, provide supplemental educational programs when needed, provide stipends or salaries, and secure temporary entry-level jobs. By giving this disconnected labor force educational support to enhance their skills while they are working on a temporary basis, they are much better prepared to move into higher-skilled permanent jobs. It is well-documented that workers at this level are most likely to spend all of their income on necessities (food, clothing, housing, etc.) because of their "marginal propensity to spend." Thus, helping people at the lower end of the economic spectrum - middle class aspirants - ensures that the money goes directly into the economy.

Thank

you for your leadership to support workforce development as part of the economic stimulus package that passed the House in September. We urge you to continue to do everything possible to protect and strengthen the existing workforce development elements of H.R. 7110 as well as expand successful job training programs targeting areas and industries experiencing high unemployment, prioritizing populations with multiple barriers to employment by funding in accordance with the Workforce Investment Act of 1998 as Congress considers another stimulus package. Elimination of these critical elements from the stimulus would greatly affect some of our most vulnerable citizens as we set a new course of recovery for our nation.

We greatly appreciate your commitment to ensuring that susceptible populations receive support as part of the economic stimulus package, and we thank you for your consideration of this request.

Sincerely,

Danny K. Davis,

Member of Congress

Signatories

Danny
K. Davis

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Payne

Donald

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Fattah

Chaka

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