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LOS ANGELES COUNTY WIB LEGISLATIVE TOOLBOX

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The L.A. County WIB Legislative Toolbox can also be found online at:

http://www.worksourcecalifornia.com/information/wib_LAcounty.htm



BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

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DON KNABE
SUPERVISOR, FOURTH DISTRICT

February 18, 2011

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, DC 20510

Dear Senator Feinstein:

As you know, the House Appropriations Committee recently introduced H.R. 1, the **Fiscal Year 2011 Continuing Resolution**. If passed, this Bill would eliminate all funding (over \$3.6 billion) for job training and employment programs under the federal Workforce Investment Act (WIA) in Program Year 2011 (October 1, 2010 to September 30, 2011) and authorize a \$175 million rescission of prior year funds (October 1, 2009 to September 30, 2010).

If passed, H.R. 1 will effectively end the country's workforce investment system, which encompasses many state and local programs offering vital job services to the unemployed, underemployed, and businesses affected by one of the worst economic downturns in American history. Moreover, it would end America's long history of investment in the nation's most vulnerable workers.

The Workforce Investment Act services provided to our members by the WIA-funded South Bay Workforce Investment Board (SBWIB) (e.g., worker recruitment and screening services, training wage reimbursements, follow-up job retention services for trainees, access to tax credits) has been invaluable. With a national unemployment rate above 9 percent and an 11.6 percent (as of December 2010) unemployment rate for the nine-city area served by SBWIB, we can hardly afford to turn our backs on our friends and neighbors--your constituents--at this critical time in our nation's history.

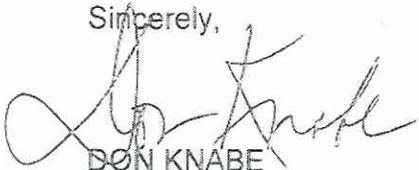
A goal of all economic development in communities is the availability of a skilled and productive workforce. If eliminated, the loss of WIA will equate to a loss of valuable workforce development tools for local economic development and an assurance that many of your out-of-work constituents will be unable to retrain for or find work in changing local industries. Such an action will jeopardize our nation's competitiveness while reducing significantly the public workforce investment financing and services available to small, medium, and large-sized businesses across Los Angeles County.

The Honorable Dianne Feinstein
February 18, 2011
Page 2

I urge you to reconsider eliminating the country's WIA system--its national jobs program--and to continue to support all programs and services that directly create jobs, support businesses, place workers into employment, and enhance long-term economic growth.

I thank you for your time and attention to this extremely urgent matter. For additional comment on the House proposal to rescind and eliminate WIA funding, I can be reached at (213) 974-4444.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Knabe", written over a printed name.

DON KNABE
Supervisor, Fourth District
County of Los Angeles

DK:e

bc: Rick Velasquez
Steve Napolitano
Nick Ippolito
Cheryl Burnett

<i>The Honorable</i>	<i>First Name</i>	<i>Last Name</i>	<i>Location</i>	<i>Address</i>	<i>City/State/Zip Code</i>
The Honorable	Dianne	Feinstein	United States Senate	331 Hart Senate Office Building	Washington, DC 20510
The Honorable	Barbara	Boxer	United States Senate	112 Hart Senate Office Building	Washington, DC 20510
The Honorable	Maxine	Waters	U.S. House of Representatives	2344 Rayburn House Office Building	Washington, DC 20515
The Honorable	Jane	Harrman	U.S. House of Representatives	2400 Rayburn House Office Building	Washington, DC 20515
The Honorable	Karen	Bass	U.S. House of Representatives	408 Cannon House Office Building	Washington, DC 20515
The Honorable	David	Dreier	U.S. House of Representatives	233 Cannon House Office Building	Washington, DC 20515
The Honorable	Xavier	Becerra	U.S. House of Representatives	1226 Longworth House Office Building	Washington, DC 20515
The Honorable	Howard L.	Berman	U.S. House of Representatives	2221 Rayburn House Office Building	Washington, DC 20515
The Honorable	Kevin	McCarthy	U.S. House of Representatives	326 Cannon House Office Building	Washington, DC 20515
The Honorable	Judy	Chu	U.S. House of Representatives	1520 Longworth House Office Building	Washington, DC 20515
The Honorable	Howard P.	McKeon	U.S. House of Representatives	2184 Rayburn House Office Building	Washington, DC 20515
The Honorable	Gary G.	Miller	U.S. House of Representatives	2349 Rayburn House Office Building	Washington, DC 20515
The Honorable	Linda	Sanchez	U.S. House of Representatives	2423 Rayburn House Office Building	Washington, DC 20515
The Honorable	Grace F.	Napolitano	U.S. House of Representatives	1610 Longworth House Office Building	Washington, DC 20515
The Honorable	Adam	Schiff	U.S. House of Representatives	2411 Rayburn House Office Building	Washington, DC 20515
The Honorable	Laura	Richardson	U.S. House of Representatives	1330 Longworth House Office Building	Washington, DC 20515
The Honorable	Brad	Sherman	U.S. House of Representatives	2242 Rayburn House Office Building	Washington, DC 20515
The Honorable	Dana	Rohrabacher	U.S. House of Representatives	2300 Rayburn House Office Building	Washington, DC 20515
The Honorable	Lucille	Roybal-Allard	U.S. House of Representatives	2330 Rayburn House Office Building	Washington, DC 20515
The Honorable	Henry	Waxman	U.S. House of Representatives	2204 Rayburn House Office Building	Washington, DC 20515

IMPACT OF PROPOSED WIA FUNDING REDUCTIONS AND SUMMER YOUTH PROGRAM ON COUNTY OF LOS ANGELES PROGRAMS (7 WORKFORCE INVESTMENT AREAS)

WORKFORCE INVESTMENT ACT

<i>What does it currently fund annually (2010)?</i>	<i>Impact of 2011 Continuing Resolution ZERO FUNDING OF MAJOR PROGRAM</i>	<i>Impact of President's 2012 Budget LEVEL FUNDING</i>
<ul style="list-style-type: none"> ■ 48 One-Stop Centers (WorkSource, Family Source and Employment and Training Centers) serve unemployed adults and those who have been laid off from employment ■ 38 Youth Centers (One-Stop Centers) serving youth ages 14-21 through youth development and work experience programs ■ 1,760,000 residents are served annually through the 48 One-Stop Centers ■ 12,500 low-income youth are served through Youth Centers, OneSource Centers and partnering agencies. ■ 10,000 small and large businesses receive business and employee layoff aversion assistance ■ 11,900 adults receive training in career sector initiatives 	<ul style="list-style-type: none"> ■ Eliminates all 86 One-Stop and Youth Centers in the County of Los Angeles ■ 1,760,000 County residents would be without access to workforce development training and services ■ 12,500 low-income youth would not be served or have an opportunity for work experience without the workforce development services ■ Over 10,000 small and large businesses would not receive business and employee layoff aversion assistance ■ No sector initiative training programs would be available with WIA funds: 12,000 adults would not receive training in career sector initiatives 	<ul style="list-style-type: none"> ■ The <i>President's proposed 2012 budget</i> projects an estimated 9-11% cut in current funding of the WIA formula grant for Adult, Dislocated and Youth Programs, including business services, rapid response and layoff aversion programs.

FUNDING FOR SUMMER JOBS CAMPAIGN

<i>What does it currently fund annually (2010)?</i>	<i>Impact of 2011 Continuing Resolution</i>	<i>Impact of President's 2012 Budget</i>
<ul style="list-style-type: none"> ■ 20,833 youth were provided summer work experience through a variety of federal grant funds 	<ul style="list-style-type: none"> ■ Provides \$0 in funding to summer jobs ■ 20,000 youth would be without summer jobs 	<ul style="list-style-type: none"> ■ Provides \$0 in funding to summer jobs ■ At least 20,000 youth would be without summer jobs or work experience opportunities because no funding is identified

L.A. County WIB Talking Points

L.A. County Workforce Investment Board & Services

- ❖ The L.A. County WIB serves over 4 million residents in 58 of the County's 88 cities and 151 unincorporated areas.
 - ❖ Assists the Los Angeles County Board of Supervisors with oversight of federally funded WIA Programs, administered by Community and Senior Services and implemented by its system of 17 WorkSource Centers, 3 satellite Centers and 16 Youth Program Providers
 - ❖ In FY 2009-10, there were 178,171 first time visits to L.A. County WorkSource Centers and 507,319 repeat visits for a total of 685,490 visits. (In 2008-09 there were 156, 100 first time visits to L.A. County WorkSource Centers)
 - ❖ It is one of seven local workforce investment areas serving the 11 million residents. In 2009-10 it received \$34 million in WIA Formula funding and \$36 million in additional ARRA stimulus funding for workforce development, employment and training services to jobseekers and employers.
 - ❖ In 2010-11 it received \$33.4 million in WIA Formula Funding.
 - ❖ Local and regional workforce development strategies were adopted to address the many employment challenges in L.A. County. Initiatives were adopted in areas such as Florence-Firestone, which had the highest unemployment rate in the County at over 24%; for groups such as Veterans, Reentry Youth and Mature Workers; and in sectors such as health, clean energy, and construction in partnership with the L.A. Workforce Systems Collaborative that includes L.A. City WIB, L.A. Community College District, LAUSD, United Way of L.A. and L.A. Area Chamber of Commerce.
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New Start Prison-to-Employment Program

- ❖ The New Start Prison-to-Employment Program is a collaborative project of the California Dept. of Corrections and Rehabilitation (CDCR), Labor and Workforce Development Agency, California Workforce Investment Board, Employment Development Department and Local Workforce Investment Boards to enhance the employability of parolees and improve their access to local employment opportunities. In 2010-11, the last year of this 3 year program, L.A. County received \$350,000.

Department of Labor Young Offender Planning Grant

- ❖ Los Angeles County Community and Senior Services was one of five entities in the nation to be awarded a 12-month Young Offender Reentry Planning Grant for \$300,000 grant in June 2009 by the U.S. Department of Labor (DOL). The goal of the grant is to develop a comprehensive Master Plan, which will serve as a blueprint for addressing the employment needs of all juvenile and young adult offenders returning from correctional facilities. The plan will be released on February 16, 2011 at a Countywide Summit and will be sent to Members of Congress.

Youth

- ❖ The 2009 ARRA Summer Youth Employment Program led to the placement of 14,195 Youth in Work Experience Countywide, and 6,194 of those youth were placed by L.A. County WIB Youth Providers. The 2010 Summer Youth Employment Program was funded countywide with TANF-ECF (Temporary Assistance to Needy Families-Emergency Contingency Fund)

Grants Received in Fiscal Year 2009-10

- ❖ \$1.5 million was awarded for two California Clean Energy Training Program grants in partnership with the Los Angeles Community College District
-

- ❖ \$725,000 in National Emergency Grants/On-The-Job Training
 - ❖ \$350,000 for California New Start Program, the final year of this 3 year program for adult parolees
 - ❖ \$300,000 as one of only five national recipients of a Young Offender Reentry Planning Grant.
-

Veterans Services

- ❖ There were 21.9 million military Veterans in the United States in 2009. States with over 1 million Veterans: California (with 2 million) Florida (with 1.6 million) and Texas (with 1.6 million)
 - ❖ The County of Los Angeles Veteran Population was 345,792 as of September 30, 2010.
 - ❖ The County has a Priority of Service Policy for Veterans and the Board is considering a Veterans Pilot Project for this year and an expanded program next fiscal year.
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Rapid Response

- ❖ In 2009–10, 163 companies received Rapid Response services in Los Angeles County, 76 issued Worker Adjustment & Retraining Notification (WARN) notices. Of the 18,998 employees affected, 2,656 employees were provided Rapid Response services.
- ❖ A Layoff Aversion conference is scheduled for April 2011. Strategies are being developed to increase these efforts in partnership with LAEDC and San Gabriel Valley Economic Partnership.

National Emergency Grant

- ❖ Over 247 long-term unemployed workers participated Primarily between ages 18-30 temporarily work up to 1066 hours or six months may earn \$12,000 in wages (whichever comes first) Receive CPR training Learn techniques for tree planting and landscaping gain valuable experience to put on their resumes
- ❖ An additional NEG grant was awarded by the Department of Labor (DOL) for On the Job Training (OJT) to 65 long-term unemployed dislocated workers who need re-training as a result of job loss during the recession since January 1, 2008. Notice of grant for \$725,000 was received on June 28, 2010.

Strategic Plan for Florence-Firestone

- ❖ The unincorporated community of Florence-Firestone is a 3.6 square mile area located 6 miles south of Downtown Los Angeles with an estimated population of 70,000.
- ❖ According to the California Employment Development Department (EDD), the unemployment rate was 24% in March 2010, the highest in any of the County's 88 cities or 151 unincorporated areas.
- ❖ In addition, area high school dropout rates range from 24% to 44% according to L.A. Unified School District data from 2007-2008.
- ❖ The WIB convened an Oversight Group from January to June 2010 to develop a comprehensive plan in accordance with the L.A. County Strategic Plan for 2009-10. Among the strategic priorities is to apply for and Enterprise Zone to encourage more local hiring and increase employment and economic development. It was approved by the State in December 2010. Enterprise Zones are at risk of being divided by the State.
- ❖ Thanks to the Leadership of the WIB members, a Florence-Firestone Economic Development Council was recently established to improve business support and economic development in this area.

Los Angeles County Workforce Investment Board

Summary of Regional Fiscal Impact of Workforce Investment Act Program Placements in 2009-10

Fiscal impact analysis determines the public revenues that are generated by a particular economic activity. The primary revenue sources (i.e. taxes and fees) of local, county, and state governments are determined in order to examine how an activity may affect the various jurisdictions.

Fiscal effects occur as a result of spending by workers directly or indirectly supported by a company. For instance, counties and cities benefit from the spending of employees on housing and retail goods and services. Examples of fiscal impacts include State income taxes paid on wages and sales taxes paid on retail goods, as well as personal income taxes, unemployment insurance, gas tax, property taxes and other local revenues.

The results of the economic impact analysis include a breakdown of direct, indirect and induced impacts in terms of employment, output, and personal income. The total population supported by the L.A. County workforce system's operations is also computed based on historical relationships between jobs and population.

The numbers listed in the table below were produced from annual job placements (FY 2009-10) for adults and dislocated workers across all 17 WorkSource Centers and 3 satellite centers that are part of the LA County local workforce investment area that serve 58 of the County's 88 cities and all 151 unincorporated areas. Nineteen different analyses were run separately by industry sector using placements for employees in each sector and defaulting to the average wage for that industry. The figures in the table below are the result of combining the outcomes from the nineteen reports.

Summary: There were 2,748 direct job placements in 2009-10, resulting in employment of an additional 1,461 jobs created from indirect and induced impacts. The wages paid to those 4,212 individuals supported a population of 8,943 and generated annual personal income of \$220,342,000, which resulted in annual output of \$551,468,000. The return on the \$21 million investment in employment and training programs was more than 25 to 1. In addition, the State benefited by receiving \$15,738,000 in taxes and fees and the County benefited by receiving \$2,278,000.

Facility Operations	First Year Program Impact
Economic Impact 1st Year	
Direct Jobs	2748
Indirect Jobs	653
Induced Jobs	808
Annual Jobs	4,212
Annual Population	8,943
Annual Personal Income (\$000)	\$220,342
Annual Output (\$000)	\$551,468
Fiscal Impact 1st Year	
Annual State Taxes & Fees (\$000)	\$15,738
Annual County Taxes & Fees (\$000)	\$2,278

This Report was independently prepared by: Southern California Edison (January 2011). The model used is a custom Microsoft Excel application by Southern California Edison. County-level multipliers from the Minnesota IMPLAN Group (2000) are used to calculate all the economic impacts of a business's construction and operations.



WorkSource

CALIFORNIA
L.A. County Workforce Investment Board

February 16, 2011

Dear Congressman Kline,

As we are sure you know, on Friday night, the House Appropriations Committee made public its remaining Fiscal Year 2011 Continuing Resolution and basically proposed the elimination of the Workforce Investment Act (WIA). The Appropriations Committee zeroed out funding for programs under WIA for the remainder of FY 2011 and advanced funding for WIA programs in the first quarter of FY 2012. Simply put, the elimination of funding for such a prolonged timeframe would essentially end the nation's employment and training system during one of the worst economic downturns in American history.

The Appropriations Committee is taking the position that workforce development and job training programs are not effective, and therefore are expendable in this challenging budget climate in Washington. On behalf of Los Angeles County's business community, we disagree.

Over the past year, the WIA funded employment and training programs have provided training, placement, services and support to over eight (8) million jobseekers nationally and over 685,000 L.A. County residents. Even with unemployment at 9% nationally and over 12% locally, we placed well over 50% of those seeking services. We cannot afford to turn our backs on our friends and neighbors at this time.

A critical component to all economic development efforts is a skilled and productive workforce. In supporting our residents by providing career guidance, job match assistance, skill training and providing information and re-training services to help workers in closing or downsizing businesses to get the back into the labor force, we are providing valuable support to our businesses and regional economic development efforts. WIA business services; save businesses, new or expanding, through offering access to skilled worker and training incentives and efforts with current employees and rehires, our local workforce development system contributes to our region's economic growth and prosperity. The L.A. County Workforce Investment Board has become a critical partner in our region's economic development efforts. To take away the funding that ensures our local workforce has the advice on what skills are needed in the local labor market and the training and retraining needed to meet the ever changing demands of the business community jeopardizes our competitiveness throughout the region.

We commend Congressional efforts to reduce the massive budget deficit, but we also know that it is the intent of Congress to stimulate job growth as well. With this in mind, we urge you to reconsider the elimination of funding for the WIA system and continuing to support all programs and services that directly create jobs, support businesses and enhance economic growth.

Respectfully,

A handwritten signature in black ink, appearing to read "Dennis W. Neder", enclosed in a large, loopy oval.

Dr. Dennis W. Neder

Chairman

Los Angeles County Workforce Investment Board

Name (Printed) Richard E. Nichols

Signature Richard E. Nichols

Name of Business Chamber of Commerce

Phone: (626) 443-0180

Name (Printed) Jerry Gaines

Signature Jerry Gaines

Name of Business SOUTH BAY CREDIT UNION

Phone: (310) 833-2103

Name (Printed) Helen Romero Shaw

Signature Helen Romero Shaw

Name of Business SO. CALIF GAS CO

Phone: (626) 279-2295

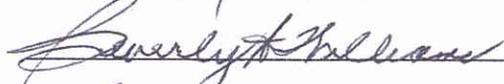
Name (Printed) FRANK C ROBERTS

Signature Frank C Roberts

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Phone: (760) 937-1391

Name (Printed) Beverly A. Williams

Signature 

Name of Business Business Transactions Law Firm of Beverly A. Williams

Phone: (518) 430-4325

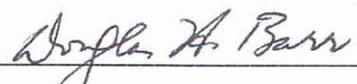
Name (Printed) Ross Viselman

Signature 

Name of Business Los Angeles Dodgers

Phone: (323) 224-4245

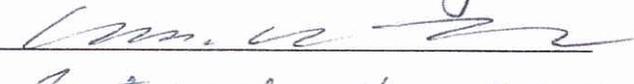
Name (Printed) DOUGLAS H. BARR

Signature 

Name of Business FOODWILL INDUSTRIES OF SOUTHERN CALIFORNIA

Phone: (323) 539-2050

Name (Printed) C. Joseph Chang

Signature 

Name of Business East Valley Hospital Medical Center

Phone: (626) 852-5050

Name (Printed) PAUL KRAL

Signature Paul Kral

Name of Business Consulting Services

Phone: (626) 576-7762

Name (Printed) REX J. T. YU

Signature Rex Yu

Name of Business Rexon Interior Design

Phone: (626) 571-2064

Name (Printed) CHRISTINE BONWORTH

Signature CRB

Name of Business Professional Career Co.

Phone: (310) 800-3353

Name (Printed) MIKE PATEL

Signature M Patel

Name of Business Travelodge Hotels

Phone: (310) 763-4029

Name (Printed) IRSHAD - UL - HAQUE

Signature Irshad. ul. Haque

Name of Business The Bantam associates Inc.

Phone: (323) 661-7752

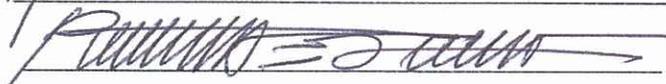
Name (Printed) Josef Bobek

Signature 

Name of Business BCS Southern Holdings, LLC

Phone: (310) 528-0049

Name (Printed) RICHARD E. DELL

Signature 

Name of Business MARKUS DELL + McCLELLAND ARCHITECTS LLP

Phone: () 210-957-7705

Name (Printed) _____

Signature _____

Name of Business _____

Phone: () _____



FOR IMMEDIATE RELEASE

February 22, 2011

Contact: Richard Verches (213) 738-2597

Budget Cuts Point to Severe Economic Repercussions for L.A. County *Workforce Investment Board cites critical challenges for employment and training programs*

Los Angeles County, CA - - The L.A. County Workforce Investment Board (LACWIB) met with policy makers in Washington, D.C. at the annual workforce forum several weeks ago, to garner support for federal employment and training programs, including special workforce initiatives for veterans, parolees and re-entry youth. But, the current proposed budget passed by the House of Representatives completely eliminates Workforce Investment Act (WIA) funding for these programs. Some Congressional members have argued that the impact is "unclear"; in truth, some four million people were put back into the job market last year through WIA-funded programs, while employment and training services were provided to over eight million jobseekers.

LACWIB Chairman Dr. Dennis W. Neder said, "Eliminating WIA funding would cut smart investments that have helped American companies put people back to work. The WIB is represented by business owners, as well as representatives of labor, higher education, economic development and community organizations, all critical partners in rebuilding our economy. In an independent economic impact analysis by Southern California Edison in January 2011, the return on investment in the L.A. County region is over 25 to 1."

Currently in L.A. County, WIA authorizes seven business-led workforce investments boards (WIBs) to oversee and coordinate services through a network of 48 One-Stop Career Centers and 38 Youth Centers. In the last year alone, this system has served over 10,000 companies with employment and training services and employee layoff aversion assistance, 12,500 low-income youth with work experience programs, and 11,900 adults with career training in targeted high growth sectors. In spite of unemployment hovering at 9% nationally, and over 12% locally, these WIBs placed over 50% of those seeking services into jobs.

The LACWIB and its network of WorkSource California One-Stop Career Centers serve over 11 million residents in 88 cities and 151 unincorporated areas. Repercussions of the current budget proposed by the House of Representatives for L.A. County include:

- Elimination of all 48 One-Stop Career Centers and 38 Youth Centers in L.A. County;
- No services for companies to recruit and screen potential employees, and train its incumbent workers;
- No employee layoff aversion assistance to keep jobs in the region;
- Elimination of youth work experiences diminishing business' options for building a pipeline of local workforce talent; and
- No training or re-training for job seekers and laid off workers to gain access to high growth, high demand fields.

"There are four jobseekers to every job vacancy and 13.9 million unemployed in the worst recession that the U.S. has seen in generations," said LACWIB Executive Director Richard Verches. "The more people work, the less likely they rely on taxpayer-funded social services—our system is a vital solution to helping American companies of all sizes succeed in getting people back to work."

For more information go to www.WorkSourceCalifornia.com and for local and national success stories about the workforce investment system, or to sign our Keep America Working petition, get the facts at www.WorkforceInvestmentWorks.com.

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Durbin: Senate Democrats' CR Pushes Domestic Cuts to the Limit

Senate Majority Whip Dick Durbin said Sunday that the fiscal 2011 spending bill proposed by Senate Democrats on Friday lays out their ceiling for domestic spending cuts this fiscal year.

The proposed \$10.5 billion in cuts to non-defense, non-discretionary spending in the continuing resolution, which would keep the government operational through Sept. 30, are as deep as Senate Democratic leaders will go, the Illinois Democrat said on "Fox News Sunday."

"I'm willing to see more deficit reduction, but not out of domestic discretionary spending," he said. "I think we've pushed this to the limit. To go any further is to push more kids out of school, to stifle the innovation that small businesses need to create jobs" and to hamper infrastructure projects.

Senate Appropriations Chairman Daniel Inouye (D-Hawaii) unveiled the Senate Democrats' continuing resolution Friday. It would cut \$51 billion from President Barack Obama's fiscal 2011 budget request, versus \$100 billion in cuts in a House-passed spending bill that was written by Republicans. Senate Majority Leader Harry Reid (D-Nev.) is planning votes on both bills this week.

Durbin appeared on the show with House GOP Conference Chairman Jeb Hensarling (Texas). Both legislators were members of Obama's National Commission on Fiscal Responsibility and Reform, and they referenced the need for bipartisanship to reach a deal on spending. But the men were quick to accuse the other party of objectionable budgeting.

Durbin said the House Republican spending bill would wreak havoc on the economy, causing 700,000 layoffs and deep problems in education and medical research. "It is literally, figuratively impossible" to balance the budget by cutting just non-defense, non-discretionary spending, which is 12 percent of the country's total budget, he said.

The Senate must demonstrate to House Republicans and Speaker John Boehner (R-Ohio) what will happen to the House-passed spending bill in the Senate, Durbin said. "My guess is it will not come close to passing," he said.

Hensarling shot back, "Dick says everything's on the table. But in their plan, nothing's on the table."

He accused Obama of being unwilling to lead the discussion and said Congress is in this situation because Democrats failed to pass a budget resolution last year.

"What I'd like to do is be able to work with Democrats to reform current entitlement programs for future generations," he said. "If you're ever going to put America on a fiscally sustainable path, where we don't destroy the American dream for our children ... these have got to be addressed."

Hensarling declined to answer whether Republicans would settle for fewer cuts this year, saying he didn't want to negotiate on national television.

Ryan J. Alsop
Assistant Chief Executive Officer
Intergovernmental & External Affairs
County of Los Angeles
(213) 974-1100



February 28, 2011

The Honorable Diane Feinstein
United States Senate
Washington, DC 20510

The Honorable Barbara Boxer
United States Senate
Washington, DC 20510

Dear Senators Feinstein and Boxer,

RE: Oppose U.S. House of Representatives Continuing Resolution (H.R. 1)

On behalf of the Los Angeles Workforce Systems Collaborative we request your support to oppose H.R. 1 legislation that would eliminate all funding, over \$3.6 billion, for the Workforce Investment Act (WIA) in Program Year 2011 and a \$175 million rescission of prior year funds.

Beginning in July 1 of this year, these cuts would zero out all new funding for state and local programs under WIA -- programs that provide vital services for the nation's unemployed, the under-employed, and for America's businesses as they try to rebound from the recession. Simply put, this total elimination of funding for WIA would result in the end of the nation's employment and training system during one of the worst economic downturns in American history.

The Los Angeles Workforce Systems Collaborative, which is comprised of the City's education, government, workforce development; labor, business and community leaders are focused on developing a robust and comprehensive economic and workforce development system in the Los Angeles region.

We encourage the leadership to explore every possible avenue for job creation which is critical to bolstering the nation's economy, and getting people back to work. We believe it is important to not only create individual jobs, but rather to continue to support a workforce development system that allows people to gain meaningful middle class careers. In the midst of the economic recovery here and in other cities across the nation, eliminating investment in job creation, and job training is utterly irresponsible. At a time when our country desperately needs jobs, one has to question the wisdom of eliminating proven tools of job creation. This plan will not only have far-reaching impacts on essential public services, but will undermine our fragile economic recovery.

As California prepares for a 26-billion dollar shortfall and already plans to implement severe budget cuts, we call on Congress to maintain the most effective economic spending while making judicious cuts to address concerns about the budget deficit.

Thank you for your leadership in recognizing the need to assist America's workers through investments in workforce development system.

Sincerely,

Antonio R. Villaraigosa
Mayor, City of Los Angeles

Eric Garcetti
Council President, City of Los Angeles

Maria Elena Durazo
Executive Secretary-Treasurer
Los Angeles County Federation of Labor, AFL-CIO

Gary Toebben
President & CEO
Los Angeles Area Chamber of Commerce

Daniel LaVista
Chancellor
Los Angeles Community College District

Elise Buik
President & CEO
United Way of Greater Los Angeles

Ramon Cortines
Superintendent
Los Angeles Unified School District

Charlie Woo
Chair
City of Los Angeles Workforce Investment Board

Bill Allen
President & CEO
Los Angeles County Economic Development
Corporation

Employment Activities in EDD CALJOBS
 LA County WIB WorkSource System
 July 2010 through June 2011

JOB SEEKER ACTIVITIES													TOTALS	
1st Quarter Jul 2010 through Sep 2010			2nd Quarter Oct 2010 through Dec 2010			3rd Quarter Jan 2011 through Mar 2011			4th Quarter Apr 2011 through Jun 2011					
New Enrolled	Active Resumes	Accesses (System Hits)	New Enrolled	Active Resumes	Accesses (System Hits)	New Enrolled	Active Resumes	Accesses (System Hits)	New Enrolled	Active Resumes	Accesses (System Hits)	Total New Enrolled		
54,904	200,004	666,857	43,178	294,978	1,452,078	ENTERED EMPLOYMENT							98,082	
Jan 09 through Dec 09			Jul 08 through June 09			Oct 08 through Sep 09			Jan 09 through Dec 09					
Job Seeker Exiters	Entered Employment	Entered Empmnt Rate	Job Seeker Exiters	Entered Employment	Entered Empmnt Rate	Job Seeker Exiters	Entered Employment	Entered Empmnt Rate	Job Seeker Exiters	Entered Employment	Entered Empmnt Rate	Avg Entered Emp Rate		
132,236	52,413	39.6%			#DIV/0!			#DIV/0!			#DIV/0!	#DIV/0!	LA CO Job Openings	
Jul 10 through Sep 10			Oct 2010 through Dec 2010			Jan 2011 through Mar 2011			Apr 2011 through Jun 2011					
40,563			37,671									78,234		
49% reduction from last year														
UNEMPLOYMENT RATE (%)														
Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011			
13.3%	12.9%	12.4%												
13.0%	12.6%	12.1%												
14.6%	14.2%	13.7%												
JOB OPENINGS IN CALJOBS														
Entire County of LA CalJOBS														
Job Openings Data														
LA CO Unemployment Rate														
Unemployment Rate in LA CO WIB Area														
Unemployment Rate in LA City WIB Area														

Data Source

EDD CalJOBS Report
 PR04, PR09o qtr, Pr09s, Or15ds

Employment Activities in EDD CALJOBS
 LA County WIB WorkSource System
 Jul 2009 through September 2010

LA County WorkSource Centers CalJOBS Employment Activities		JOB SEEKER ACTIVITIES												TOTALS															
		1st Quarter Jul 09 through Sep 09			2nd Quarter Oct 09 through Dec 09			3rd Quarter Jan 10 through Mar 10			4th Quarter Apr 10 through Jun 10																		
		New Enrolled	Active Resumes	Accesses (System Hits)	New Enrolled	Active Resumes	Accesses (System Hits)	New Enrolled	Active Resumes	Accesses (System Hits)	New Enrolled	Active Resumes	Accesses (System Hits)	Total New Enrolled															
		64,541	196,011	1,129,339	36,918	68,709	555,113	61,225	105,811	1,033,124	51,444	88,326	922,434	#REF!															
ENTERED EMPLOYMENT																													
Apr 08 through March 09		Jul 08 through June 09			Oct 08 through Sep 09			Jan 09 through Dec 09			Apr 09 through Jun 10			Avg Entered Emp Rate															
Job Seeker Exiters		Entered Empmnt Rate	Entered Empmnt Rate	Entered Empmnt Rate	Job Seeker Exiters	Entered Employment	Entered Empmnt Rate	Job Seeker Exiters	Entered Employment	Entered Empmnt Rate	Job Seeker Exiters	Entered Employment	Entered Empmnt Rate	Job Seeker Exiters	Entered Empmnt Rate														
131,032		56,179	42.9%	42.9%	126,562	53,329	42.1%	103,802	50,268	48.4%	132,236	52,413	39.6%	44.48%	LA CO Job Openings														
JOB OPENINGS IN CALJOBS																													
Entire County of LA CalJOBS		Oct 09 through Dec 09			Jan 10 through Mar 10			Apr 10 through Jun 10			Apr 10 through Jun 10			124,584															
Job Openings		51803	46,259	36,800	49% reduction from last year	41,525	19.3 reduction from last year																						
Job Openings Data																													
UNEMPLOYMENT RATE (%)																													
Jul 2009		Oct 2009			Nov 2009			Dec 2009			Jan 2010			Feb 2010			Mar 2010			Apr 2010			May 2010			Jun 2010			
Unemployment Rate		12.5%	12.4%	12.3%	12.2%	11.9%	11.9%	11.9%	11.9%	11.9%	13.1%	12.2%	12.2%	12.2%	12.2%	12.2%	12.2%	12.2%	12.2%	12.2%	11.9%	11.9%	11.9%	12.1%	12.2%	12.0%	12.0%	12.0%	12.0%
Unemployment Rate in LA CO WIB Area		12.3%	12.2%	12.0%	12.0%	11.9%	11.9%	11.7%	11.7%	12.8%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	11.6%	11.6%	11.6%	11.8%	12.0%	12.0%	12.0%	12.0%	12.0%
Unemployment Rate in LA City WIB Area		13.8%	13.7%	13.5%	13.5%	13.4%	13.4%	13.2%	13.2%	14.4%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.1%	13.1%	13.1%	13.3%	13.3%	13.3%	13.3%	13.3%	135.0%

Data Source
 EDD CalJOBS Report
 PR04, PR09o qtr, PR09s, Or15ds

CITIES SERVED BY LOS ANGELES COUNTY WORKFORCE INVESTMENT BOARDS

L.A. COUNTY WIB	Sup. Dist.	Population Jan. 2010	Unemployment Rate	
			January 2010	December 2010
1 Azusa	1	49,207	14.2%	13.7%
2 Baldwin Park	1	81,604	16.2%	15.7%
3 Bell	1	38,867	17.2%	16.7%
4 Bell Gardens	1	47,002	20.5%	19.9%
5 Commerce	1	13,581	24.0%	23.4%
6 Cudahy	1	26,029	18.0%	17.5%
7 El Monte	1	126,464	16.1%	15.6%
8 Huntington Park	1	64,219	19.3%	18.7%
9 Industry	1	803	22.9%	22.3%
10 Irwindale	1	1,717	13.6%	13.1%
11 La Puente	1	43,355	15.3%	14.8%
12 Maywood	1	30,034	18.8%	18.2%
13 Montebello	1	65,781	14.6%	14.1%
14 Monterey Park	1	65,027	10.0%	9.6%
15 Pico Rivera	1	66,967	5.7%	11.8%
16 Pomona	1	163,683	14.7%	14.1%
17 Rosemead	1	57,756	11.7%	11.2%
18 Santa Fe Springs	1	17,929	11.1%	10.6%
19 South El Monte	1	22,627	16.8%	16.0%
20 South Gate	1	101,914	16.8%	16.1%
21 Vernon	1	96	0.0%	0.0%
22 Walnut	1	32,659	6.5%	6.2%
23 Compton	2	99,769	21.9%	21.2%
24 Culver City	2	40,722	9.1%	8.8%
25 *Florence-Firestone	2	60,197	25.4%	24.7%
26 Lynwood	2	73,295	20.3%	19.8%
27 Agoura Hills	3	23,387	5.9%	5.7%
28 Beverly Hills	3	36,224	9.2%	8.9%
29 Calabasas	3	23,788	6.1%	5.8%
30 Hidden Hills	3	2,025	4.4%	4.3%
31 Malibu	3	13,765	4.6%	4.4%
32 San Fernando	3	25,366	13.6%	13.0%
33 Santa Monica	3	92,703	11.0%	10.5%
34 West Hollywood	3	37,805	11.3%	10.7%
35 Westlake Village	3	8,872	7.3%	7.0%
36 Avalon	4	3,559	6.3%	6.1%
37 Diamond Bar	4	61,019	9.4%	9.1%
38 La Habra Heights	4	6,151	5.4%	5.2%
39 La Mirada	4	50,015	8.1%	7.8%
40 Palos Verdes Estates	4	14,085	3.1%	2.9%
41 Paramount	4	57,989	19.1%	18.3%
42 Rancho Palos Verdes	4	42,893	4.6%	4.4%
43 Rolling Hills	4	1,974	2.3%	2.2%
44 Rolling Hills Estates	4	8,157	4.0%	3.8%
45 Whittier	4	87,128	9.6%	9.1%
46 Alhambra	5	89,501	11.3%	11.0%
47 Bradbury	5	963	7.8%	7.7%
48 Claremont	5	37,608	6.9%	6.7%
49 Covina	5	49,622	9.3%	9.0%
50 Glendora	5	52,830	6.9%	6.7%
51 La Verne	5	34,051	7.6%	7.4%
52 Lancaster	5	145,875	18.2%	17.7%
53 Palmdale	5	152,622	16.4%	15.6%
54 San Dimas	5	36,946	7.9%	7.5%
55 San Gabriel	5	42,984	11.0%	10.4%
56 San Marino	5	13,415	6.1%	5.8%
57 Santa Clarita	5	177,641	8.2%	7.8%
58 Temple City	5	35,892	8.7%	8.3%
59 West Covina	5	112,890	11.7%	11.2%
Total Population Served		4,006,138 (including unincorporated areas)		

COUNTY AND STATE	Population July 2010	Unemployment Rate	
		January 2010	December 2010
County of Los Angeles	10,473,535	12.8%	12.7%
State of California	38,826,898	13.0%	12.3%

CITY OF LOS ANGELES WIB	Sup. Dist.	Population Jan. 2010	Unemployment Rate	
			January 2010	December 2010
1 Los Angeles	All	4,094,764	14.4%	14.0%
Total Population Served		4,094,764		

FOOTHILL WIB	Sup. Dist.	Population Jan. 2010	Unemployment Rate	
			January 2010	December 2010
1 Arcadia	5	56,719	7.6%	7.3%
2 Duarte	5	23,124	9.2%	8.9%
3 Monrovia	5	39,984	11.6%	11.2%
4 Pasadena	5	151,576	10.2%	9.7%
5 Sierra Madre	5	11,099	4.1%	3.9%
6 South Pasadena	5	25,881	6.7%	6.4%
Total Population Served		308,383		

PACIFIC GATEWAY WIB	Sup. Dist.	Population Jan. 2010	Unemployment Rate	
			January 2010	December 2010
1 Lomita	4	21,015	9.6%	9.3%
2 Long Beach	4	494,709	14.4%	13.9%
3 Signal Hill	4	11,465	10.6%	10.1%
4 Torrance	4	149,717	6.7%	6.4%
Total Population Served		676,906		

SELACO (SOUTHEAST L.A. COUNTY WIB)	Sup. Dist.	Population Jan. 2010	Unemployment Rate	
			January 2010	December 2010
1 Artesia	4	17,608	9.5%	9.2%
2 Bellflower	4	77,312	13.3%	12.9%
3 Cerritos	4	54,946	7.2%	7.0%
4 Downey	4	113,715	10.6%	10.2%
5 Hawaiian Gardens	4	15,884	14.7%	14.2%
6 Lakewood	4	83,636	8.5%	8.3%
7 Norwalk	4	109,817	13.8%	13.4%
Total Population Served		472,918		

SOUTH BAY WIB	Sup. Dist.	Population Jan. 2010	Unemployment Rate	
			January 2010	December 2010
1 Carson	2	98,047	13.2%	12.8%
2 Gardena	2	61,927	12.5%	11.9%
3 Hawthorne	2	90,145	16.9%	16.4%
4 Inglewood	2	119,053	16.3%	15.8%
5 Lawndale	2	33,641	13.0%	12.6%
6 El Segundo	4	17,049	6.5%	6.3%
7 Hermosa Beach	4	19,599	5.9%	5.7%
8 Manhattan Beach	4	36,773	4.7%	4.5%
9 Redondo Beach	4	68,105	7.1%	6.8%
Total Population Served		544,339		

VERDUGO WIB	Sup. Dist.	Population Jan. 2010	Unemployment Rate	
			January 2010	December 2010
1 Burbank	5	108,469	10.7%	10.3%
2 Glendale	5	207,902	11.5%	11.1%
3 La Cañada-Flintridge	5	21,261	5.1%	5.0%
Total Population Served		337,632		

*Florence-Firestone is an unincorporated area of the County. Due to its high unemployment, it is included in this report.

Unemployment rates: source: <http://www.labormarketinfo.edd.ca.gov>

Population: source Department of Finance, <http://www.dof.ca.gov>

February 16, 2011

To: Organizations Interested in Workforce Development

**Fm: Ray Uhalde, VP, Workforce & Education Policy Group, Jobs for the Future
Mary Clagett, Director of Workforce Policy, WEPG, Jobs for the Future**

Re: What H.R. 1 Would Mean for the Workforce Investment System

There continues to be a lot of confusion regarding the funding cuts proposed for the WIA system in the House "Fiscal Year 2011 Continuing Resolution," H.R. 1.

To put it simply, **H.R. 1 completely zeroes out all new funding for WIA's (title I) Adult, Dislocated Workers and Youth formula grant programs in Program Year 2011.** In addition, it eliminates nearly all funding for WIA's national discretionary grants and rescinds \$175 million in unobligated Dislocated Worker Reserve and Emergency Grant funding.

In documents published by the House Appropriations Committee, the Committee seems to imply that the workforce system can be sustained through next year with current year funding and carryover. In their summary of the Fiscal Year 2011 Continuing Resolution, the Committee states that "These programs have significant carryover balances from prior year appropriations and have already received \$1.5 billion in advance funding available for the current fiscal year."

Regarding the "advance funding" – this is the \$1.5 billion in funding that was appropriated in the FY 2010 appropriations bill for this Program Year 2010, and was made available to the WIA system for the final 3 quarters of this PY, from October 2010 through June 2011. (See the explanation of "advance funding" in the attached description of the appropriations process.) **What this means is that as of July 1, 2011 there would be no new WIA grants to States and local workforce areas under H.R. 1.**

Regarding carryover or unexpended funds – DOL reports that the WIA system carried over \$1.1 billion from PY 2009 to PY 2010. This represents a 28% carryover of the total available in PY 2009. However the local carryover rate is much lower than that of the States – with local areas carrying over or "not expending" 21% of funds available in PY 2009 – or about \$600 million out of \$2.8 billion. **And it must be noted that much of this "carryover" is not really available though it shows as "unexpended" as it is either obligated or encumbered, particularly at this time of increased demand for training services.** This compares to the States' carryover from PY 2009 to 2010 of 45%, about \$500 million out of \$1.1 billion available in PY 2009.

Lesson Learned from Prior Rescission - In the FY 2008 appropriation, when the WIA system lost \$250 million through the rescission of "unexpended funds," \$114 million (or nearly half – 45%) of the \$250 million rescission came out of PY 2007 current year funds. The amount of the rescission was based upon the notion that unexpended balances from PY 2005 and PY 2006 carried into PY 2007 would cover the rescission. This assumption was wrong. The carryover that appropriators point to now, carried into PY 2010, is about the same amount that was carried into PY 2007 -- \$1.1 billion. This argues that the

carryover or “unexpended balances” that appropriators argue will carry the system, are not real, especially with the overwhelming increase in demand for services and the increased demand for training. When rescinding a lower amount of \$250 million in PY 2007, the system had to cover 45% of the rescission with current year funding. H.R. 1 would eliminate \$3.6 billion (including national discretionary grants) for the entire Program Year 2011. Those States and local areas that have had high demand for services and have provided services aggressively would likely have very little true carryover to provide services for next year.

Following is a more detailed description of the WIA appropriation for State and local formula grants in the current Program Year 2010 -- and its relation to HR 1.

In December 2009, Congress passed and the President signed an appropriation bill for Fiscal Year 2010 funding the Federal government from October 1, 2009 through September 30, 2010. As has been the practice for several years, the WIA appropriation for FY2010 consisted of two parts: current year appropriations and advance appropriations. The FY2010 bill made available for WIA grants to states \$2,969,449,000, of which:

- \$1,397,449,000 was made available for the period July 1, 2010 through June 30, 2011; and
- \$1,572,000,000 was made available for the period October 1, 2010 through June 30, 2011 (an "advance" on FY2011).

The total of these FY2010 appropriations fund WIA's state and local activities for PY2010 (July 1, 2010-June 30, 2011). States have three years to spend these funds. States and locals also had available, in July 2010, an estimated \$1.1 billion from carry over of prior year funds to expend on WIA activities. So as of July 2010, states and locals had a total of about \$4.1 billion available for WIA activities, of which about \$1.1 billion or 28% was from carry over of prior year funds.

If states and locals expend at the historical rate during PY2010, they will carry in to PY2011, starting July 2011, about \$1 billion. But we know that a large percentage of those funds are encumbered by commitments to support multi-semester training plans for participants and, therefore are not available to serve new enrollees. Because we also know that 45% of the last rescission of \$250 million in carry-over money was ultimately paid back from current year funds, we can safely assume that no more than about \$550 million in WIA funds will remain available in July 2011 to enroll new participants and fund program operations. Again, States and local areas that have provided increased levels of services to meet demand, will likely have very little true carryover, if any, to provide services for PY 2011 if these cuts are enacted.

DOL Response to Senator Coburn's Report

On February 9, 2011, Senator Tom Coburn released a report critical of Federal employment and training programs, *Help Wanted: How Federal Job Training Programs are Failing Workers*. This paper responds to the criticisms and recommendations raised in the paper, as well as provides an update on corrective action being taken on relevant cases cited in the report. *It is important to note that the cases referenced in the report span a 15-year timeframe and some address programs that are no longer in operation.* We believe these cases are exceptions rather than representative of the entire workforce system.

The Department of Labor is responsible for stewardship of Federal funds and regularly monitors states' use of federal dollars as well as federal contracts and grants. Each year, a sample of state and local workforce programs using federal investments are selected for on-site monitoring. Through this regular monitoring, the Department flags grants and contracts management issues and brings them to the attention of the Office of Inspector General for further investigation. Given the decentralized nature of the public workforce system, the responsibility of monitoring and ensuring local area financial and program compliance remains with the state.

Need for Training as Investment in Workers Future

Many workers experiencing long-term unemployment as a result of the recession do not have the skills or credentials for the jobs that will start opening up as the economy continues to recover. It is an investment in our future to train hard-working, unemployed Americans to upgrade their skills and help them get the credentials they need so they can be hired when job growth returns to the economy. Without the ability to get another job, many of these workers are faced with a slide down the economic scale, out of the middle class and into poverty.

The recent recession was the worst since the Great Depression causing millions of Americans to lose their jobs with more than 7 million workers experiencing long-term unemployment because their jobs are not returning. Nevertheless, as of the third quarter of 2010, more than one million jobs were saved or created due to Recovery Act investments. This includes nearly a quarter million clean energy jobs and 130,000 jobs in the construction of transportation infrastructure. This total represents an overall 200,000 job increase from the previous quarter with substantial gains across many categories.¹

System Accomplishments

Even at a time of slow private sector job growth as was the case over the past year, over 7.2 million program participants entered employment upon the completion of Wagner Peyser and/or Workforce Investment Act (WIA) funded employment and training services. Additionally, funding made available through the WIA Adult and Dislocated Worker programs helped provide skill development training to nearly 215,000 program

¹ Council of Economic Advisors most recent quarterly report on impact of ARRA investments.

Draft February 15, 2010

completers whose skill set, job knowledge, or technical expertise did not match the needs of local area businesses before they entered training.

While training cannot be provided to all participants due to its higher cost, when utilized, training yields higher placement outcomes for individuals when compared to those receiving only core and intensive services. The value of training is best illustrated by the entered employment rate, or how many individuals found jobs. For the 12-month period ending June 30, 2010, the entered employment rate for the WIA Dislocated Worker program completers who received training services showed a nearly 30 percentage point increase compared to those who did not receive training (76.2 percent versus 46.9 percent, respectively). In other words, individuals receiving training found it 1.6 times easier to find employment. For the WIA Adult program during the same 12-month period, those receiving training had an entered employment rate of 69 percent compared to 53 percent for all other program participants.

Also, during the same 12-month period, the WIA Adult and Dislocated Worker program completers who were unemployed at program participation helped to stimulate the economy by earning just under \$7.2 billion in a six-month period after finding work. And WIA Adult and Dislocated Worker program participants who received On-the-Job Training achieved incredible outcomes. Adults found employment at a rate of 86 percent (32 percentage points higher than total Adults), while Dislocated Workers found a job at 90.3 percent (nearly 40 percentage points higher than total Dislocated Workers) rate.

Additionally, a recent net impact study of WIA services indicated that participation in training increased earnings more than \$380 per quarter for employed WIA Dislocated Worker participants and \$660 a quarter for employer WIA Adult participants.

Refuting Duplication Claim

With regards to GAO's report on multiple employment and training programs, one should be cautious in drawing conclusions. Many Federal employment and training programs may serve similar populations with some overlapping eligibility and shared goals to help individuals obtain and retain good jobs and become self-sufficient, and many have other unique goals and outcomes. However, this does not mean each of the 47 programs is duplicative.

The job training programs administered by the Department are geared to serve diverse individuals with specific needs, including veterans, dislocated workers, women, disabled workers, low income youth, Indians and Native Americans, and migrants and seasonal farmworkers. The public workforce system, authorized by the Workforce Investment Act, provides states and local areas flexibility in determining how best to implement their job training and employment programs by tailoring the system to meet the needs of local jobseekers and employers.

A coherent public workforce system does not mean we need to have a single program, supplier or bureaucracy; rather, we need a rational system whose diverse elements and multiple suppliers are building blocks that fit together logically, with minimal

duplication, and that provide ready access to services for jobseekers and other workers looking for good jobs and to employers looking for job-ready skilled workers who met their needs.

Responses to Coburn's Recommendations

More than a decade has passed since the enactment of the Workforce Investment Act of 1998 (WIA), which serves as the foundation of the current workforce system's infrastructure. At the time of WIA's enactment the country was in a very different economic climate, and we believe that it is more important than ever that Congress reauthorize WIA to help the labor market keep up with changes spurred by innovation and globalization.

The Administration supports a reauthorized WIA that emphasizes streamlining service delivery, providing true one-stop shopping for high-quality services, engaging with employers on a regional and sectoral basis, improving accountability, and promoting innovation and identifying and replicating best practices. To that end, the Department has been providing technical assistance to aid Senate staff in the development of reauthorization legislation.

Please find below responses to Senator Coburn's recommendations:

1) **Consolidate Federal Programs:**

Coburn's Recommendation: When reforming the federal job training system, especially the Workforce Investment Act, Congress should consolidate and better target job training programs across the federal budget.

DOL's Response: The Department is committed to bringing about better alignment of Federal investments in job training, improved models for delivering quality services across programs at lower costs, and providing relevant information to workforce and social service communities. In fact, one of the Administration's five objectives for reauthorization of the Workforce Investment Act of 1998 is to promote streamlined service delivery. Streamlined service delivery can include several models that offer customers a full range of assistance through partner agencies, such as co-location and co-enrollment. To spur innovation in this area, new incentives and additional flexibility for states and localities are needed and where appropriate, realigning programs should be considered as well. Most importantly is that the workforce investment system is inherently designed to ensure that the most appropriate and cost-effective models for service delivery are best determined locally.

2) **Eliminate Federal Programs Without Metrics**

Coburn's Recommendation: Programs lacking metrics and a means of accountability should be eliminated.

DOL's Response: As demonstrated by the recent Departmental strategic plan, the Department is placing increased focus on performance-based management. Performance measures are being reassessed and made consistent among programs

throughout the workforce system, to promote better outcomes for individuals of all skill and need levels, particularly those who are not yet ready and able to move quickly into a good job. We believe that workers and employers should have easy access to information about outcomes for past participants, so that they can make informed decisions about which programs are most likely to meet their needs.

Employment and training programs funded under the Workforce Investment Act include performance indicators that align with the agency's mission to assist Americans in finding and retaining good jobs while ensuring attainment of industry-recognized credentials and certificates that help workers move along a career pathway.

3) Improve Federal Program Metrics of Remaining Programs

Coburn's Recommendation: Programs the government chooses to fund should be rigorously and regularly evaluated through impact studies, performance reviews and other means.

DOL's Response: The Department has worked diligently over the past two years to support rigorous evaluation studies. Random assignment studies to assess effectiveness of the public workforce system and discretionary programs, in addition to grant making based on proven research, is part of DOL's approach in building a stronger evidence-base. Additionally, in a concerted effort with other Federal agencies, we have proposed, as part of our budget request, the creation of a Workforce Innovation Fund that will help test innovative strategies and replicate proven approaches. The intent of this fund is to help reinvigorate the workforce system to better meet the current needs of workers and employers.

4) Better Focus Federal Efforts by Narrowing Programs' Objectives:

Coburn's Recommendation: Programs using only a small fraction of their funding for job training and employment activities should have their program objectives narrowed and instead allow programs whose primary responsibility is job training to carry out such activities. Program objectives and eligibility for programs should be carefully reviewed to ensure maximum flexibility and the most efficient targeting of resources.

DOL's Response: The Department is focused on the strategic targeting of resources to ensure maximum flexibility towards training. We recognize, especially during an economic downturn, that different approaches are needed in providing states and local areas the ability to tailor their program based on the demands and needs of the local and regional labor market, as well as those of workers.

5) Target Eligibility of Federal Programs to Needy:

Coburn's Recommendation: Job training and employment programs should be targeted to those truly in need; therefore, eligibility should be determined in part through the use of income thresholds.

Draft February 15, 2010

DOL's Response: The Department believes that in this economic climate, unemployment affects a multitude of American workers and accordingly, our employment and training programs are designed to address the needs of all American workers, including those in dire circumstances. For example, through our discretionary grants, we have targeted specific populations based on poverty data. This precise focus on individuals in disadvantaged communities is crucial; training and skills development are essential in finding and keeping employment.

Draft February 15, 2010

**Response to DOL-Related Cases²
February 2011 Coburn Report**

#1: Bowling for Dollars

Issue: The state of West Virginia awarded Mr. Martin Bowling \$100,000 for a worker training grant, and he and his firm received another state grant worth \$1 million.

Corrective Action: Though the report indicates federal funds were used to make these illegal purchases, this is not the case. The federal government instructed the State of West Virginia to replenish the entire contract using state funds. The state completed this action on June 15, 2010. Individuals involved in the incident have been since convicted and restitution is being paid.

#2: The Tampa Bay Binge

Issue: In February 2010, the Florida State Inspector General (IG) found the Tampa Bay WorkForce Alliance misspent funds that state investigators claim benefited individual staff members at the agency and not job training programs.

Corrective Action: As the report indicates, the Office of Inspector General (OIG) launched an investigation and misused funds have been disallowed. During this investigation, the federal government offered guidance on what constitutes allowable costs as outlined by Office of Management and Budget circulars and Federal procurement laws.

#6: Where are the Green Jobs?

Issue: The American Recovery and Reinvestment Act (ARRA) allocated \$90 billion for green job technology, including a number of —green collar job training programs. The Administration emphasized the green industries as having significant potential for the creation of new jobs that pay 10-20 percent more than similar non-green work. *However, many recent green energy training program graduates are unable to find green jobs.*

Response: Through the Recovery Act, the Department awarded nearly \$500 million in competitive grants to support recruitment, retention and career pathways in green jobs training. These grants began in January 2010 and generally included a three to nine month start-up period in which grantees addressed key program needs, such as curriculum development, before beginning to train participants. Therefore, many of these grants are just beginning to match individuals to employment opportunities.

In the development of these grants, the Department emphasized the importance of employer and industry involvement. Grantees that are working with employers to provide on-the-job training, work experiences, and internships have been reporting that these strategies have been successful.

² The numbering for the DOL-related cases corresponds to Senator Coburn's report numbering.

While the number of individuals that have received education and training, or employment as a result of that training seems small, it is important to note that these results are consistent with the typical grantee experience, especially considering the challenging economic conditions. As of the quarter ending September 30, 2010, which is the most recent data available, nearly 10,400 participants have been served through these grants and of these participants served, close to 8,400 have received education and training, including 313 in On-the-job Training activities and approximately 3,600 participants have completed education and training activities. After eight months following grant awards, nearly 500 participants who completed job training entered a new position of employment.

The Department anticipates having additional information about positive employment outcomes as our grantees continue to finalize the training phase of their projects and transition on to matching participants with employment.

#9: Funds for the Already Employed

Issue: Coburn's report takes issue with the fact that the Central Oregon Intergovernmental Council (COIC) named six recipients, including Deschutes Brewery of Bend, of federal grant money to assist with incumbent worker training.

Corrective Action:

No federal funds were ever utilized by Deschutes Brewery, because the project was cancelled by the award recipient. However, it is important to note that incumbent worker training is an allowable activity of Workforce Investment Act funds.

#10: Lost Job Corps Opportunities: Multi-Year Lease Wastes \$31 Million

Issue: An OIG audit found that Job Corps could not demonstrate that a multi-year lease with the YWCA was the least expensive option to the Government for purposes of acquiring a new facility at the Los Angeles Job Corps Center.

Corrective Action: A multi-year lease, in the amount of \$82 million was awarded to the YWCA of Los Angeles for the construction of a new facility for the Los Angeles Job Corps Center. The Department determined that the award of the multi-year lease was the best value for the government after reviewing all available options. Through lease negotiations, the Department realized a savings of \$23 million in Recovery Act funds. The \$23 million in savings was reallocated to other Job Corps shovel-ready projects.

#11: Unsafe Conditions, Expired Food, Filth and Cockroaches at Florida Job Corps

Issue: An OIG audit of the Gainesville, Florida Job Corps Center operated by DEL-GEN, Inc. found weaknesses in addressing safety and health and in performance reporting. The audit also looked into hotline complaints alleging improper management practices at the Albuquerque, New Mexico Job Corps Center.

Corrective Actions: In the cases of the audit findings at each center, the Office of Job Corps conducted on-site assessments to follow-up on recommended corrective actions by the Office of the Inspector General (OIG). All areas identified in the OIG audit were reviewed thoroughly to ensure that corrective action was taken and that systems were in place to prevent reoccurrence. The contactors were required to implement corrective action plans, which the Office of Job Corps is continuing to monitor.

#12: Billion Dollar Youth Training Program “Half Disaster,” Tens of Thousands Unable to Obtain Jobs.

Issue: In 2009, the American Recovery and Reinvestment Act (ARRA) provided \$1.2 billion to support a summer jobs program funded under the Workforce Investment Act. This program was intended to provide low-income individuals aged 14 to 21 years old with job training. *However, 18 percent of the approximately 355,000 individuals that enrolled the summer jobs program either were not provided a summer job or did not complete their summer job.*

Response: During the development of the Summer Youth Employment Initiative, the Department established the goal of serving between 250,000 and 300,000 youth in summer employment during the summer of 2009. Updated Departmental data shows that the program provided summer employment opportunities for over 368,000 youth between May 1 and December 31, 2010. Additionally, a study of the program by Mathematica Policy Research, Inc. indicated that 75 percent of participating youth during the summer of 2009 achieved a measurable increase in their work readiness skills. It also stated that employers also benefited from the program, and a vast majority of the participating employers reported a desire to continue their participation, if given the opportunity.

The Department was able to surpass its goals and provide meaningful work experiences to hundreds of thousands of youth, despite an extremely challenging economic climate and emphasizing services to out-of-school youth, a generally hard to serve population. Although the program could not place or ensure the program completion of every low income young person, the Department strongly believes the Summer Youth Employment Initiative was a success.

#14: Job Corps Contractor Paid for Ghost Employees While Millions of Youth are Unemployed

Issue: A Department of Labor employee was sentenced to 36 months probation for supplementing her government salary by accepting money from a Job Corps contractor.

Corrective Action: As soon as fraudulent behavior was discovered by Job Corps program officials, an investigation was initiated by the Job Corps office through notifying the Office of the Inspector General (OIG). Job Corps officials also cooperated with the OIG throughout the criminal investigation to ensure accuracy of claims against the employee, and to bring resolution of the matter through the court system.

Draft February 15, 2010

15: WIA Programs Pay Tuition for Officials' Children, Xbox and Laptops, Gold Shirts and More

Issue: The Ohio Department of Job and Family Services conducted an oversight review of funds received by Portage County and disallowed \$700,000 involved in questionable activities including laptops, video games and charge cards. Other funds went to individuals who were determined ineligible to receive funds.

Corrective Action: The State of Ohio conducted a review and disallowed costs as part of their oversight responsibilities of the Workforce Investment Act (WIA) in accordance with the regulations which provide the formal federal guidance for the program (see 20 CFR 667.410). As a result of its investigation, the State of Ohio disallowed the costs involved in questionable activities. It appears that the state acted properly to investigate the activities and establish the disallowed costs.

Case #17: Iowa Job Training Agency Executives Scheme Bonuses, Frequent Casinos During Work

Issue: Central Iowa Employment Training Consortium (CIETC)'s former CEO was convicted in February 2010 of an 84-month prison sentence on fraud and corruption allegations.

Corrective Action: CIETC was a local workforce board recipient of employment and training federal funds. During an on-site monitoring review, DOL's Regional Office uncovered fraudulent activities such as excessive salary of Board members and local workforce investment board staff, bonus payments, and staff incurring non-allowable credit card charges. As a result of this discovery, the OIG immediately took over the investigation and as a result, various individuals were indicted, prosecuted, convicted and jailed. The Iowa Department of Workforce Development in conjunction with their State auditors issued a final determination disallowing these costs. The CIETC was removed as a DOL fund recipient in June 2006. CIETC was dissolved and the program is now operated by another entity.

#18: A Kitchen Makeover and Cool New Digs

Issue: Coburn's Report takes issue with the fact that the Gerald R. Ford Job Corps Center in Grand Rapids, Michigan received \$13 million in Recovery Act funds to modernize the heating, ventilation, and air conditioning (HVAC) systems at the Center, thereby reducing the facility's energy usage.

Response: This project was selected from the Job Corps program's list of construction priorities as it was shovel-ready, and could immediately impact the local economy. This project created over 100 local construction jobs and provided opportunities for over 20 Job Corps students to participate in work-based learning.

Case #19: Rolling the Dice on Federal Job Training for Bartending and Gambling

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Issue: The report references eight states (FL, IL, MI, MS, MT, OH, and TN) spending federal Workforce Investment Act dollars to provide individuals training in the bartending occupation. Also, WIA funds are used to provide training for casino workers and other gaming related occupations.

Response: No corrective action is necessary. The hospitality industry is an acceptable career pathway and is measured as part of performance outcomes of Workforce Investment Act funded programs. It is important to note that in the hospitality industry, the amusement, gambling and recreation occupational cluster constitutes a very small but strategically targeted portion of overall training. For example, between 2005 and 2009, WIA formula and National Emergency Grant funds were used to train a total of 36 individuals in Louisiana for occupations in the amusement, gambling and recreation occupational cluster. This is far less than one percent of the total individuals trained during this time frame, and the training was supported by the industry being a vital part of the New Orleans' regional economy, with projected job growth. The Louisiana Workforce Commission reports that since 2009 (when the recession hit Louisiana), they have not enrolled anyone in training in this occupational cluster.

It is important to point out that due to appropriate targeting of higher demand occupations regionally, the state of Montana has not trained anyone with public funds in bartending or gaming since 2007. The state's Eligible Training Provider List includes one bartending school, but as a result of using labor market data to target growing occupations, no one has gone to this school through WIA or other federal workforce funds since 2005 when the state started keeping records of this.

22: Job Training Program Mismanagement in Pennsylvania Threatens Funding to Low-Income

Issue: Coburn's report references mismanagement of a YouthBuild program in Harrisburg, PA. The report also mentions that the Philadelphia Regional Office of the Department of Labor has already uncovered instances of unauthorized expenses.

Corrective Action: In 2010, ETA requested monitoring information of the YouthBuild grant managed by the Harrisburg City School District, Pennsylvania to determine if there are unauthorized expenses. ETA is in the process of resolving the issues outlined in the report through its Single Audit Resolution, monitoring resolution, and closeout processes. ETA is preparing a final determination of the costs so that disallowed costs can be recovered if necessary.

#23: Federal Job Training for the Affluent?

Issue: An audit of the Gadsden, Alabama Job Corps Center found it to be violating Job Corps' low income eligibility requirements by enrolling students who were above the program's income guidelines.

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Corrective Action: Through on-site monitoring by Job Corps Center staff, violations were reported to the Department of Labor and in turn, ETA asked the OIG to initiate an audit. Department of Labor officials worked with the ineligible students, who were enrolled through no fault of their own to identify other training and educational opportunities for them and assist them in the difficult transition to other opportunities. Further, the Department is monitoring all centers and outreach and admissions contracts to ensure that applicants enrolling in the program meet all eligibility standards.

Case #24: \$4 for Us, \$1 for Workers

Issue: A Montana trade union managing federal employment and training funds was accused by the Montana Department of Labor and Industry of gross fiscal responsibility.

Corrective Action: This is a contract from the Montana Department of Labor and Industry (MDLI) to AFL-CIO Project Challenge: Work Again, funded by the State's Federal (formula) WIA Dislocated Worker grant. The contract was funded in the amount of \$552,000 for the period July 1, 2007 through June 30, 2008. Through routine monitoring required to meet the grantee's fiduciary responsibilities, the Montana Department of Labor and Industry found that AFL-CIO was spending a majority of the contract funds on staff salaries rather than on participants. The Montana Department of Labor ended the contract in February, 2008, and the funds remaining on the contract went directly to payments for participant training through the MDLI Job Service offices. AFL-CIO no longer operates the WIA Dislocated Worker programs in Montana; it is now operated by MDLI's Job Service Bureau.

#25: Atlanta Job Training Programs

Issue: In late 2008, the Department's OIG found a significant lack of management control for two federal job training programs run by the City of Atlanta: Welfare-to-Work and Workforce Investment Act.

Corrective Action:

The Welfare-to-Work program is no longer in operation. As for the WIA program, a recent audit of this case found that oversight procedures now are in place to ensure WIA funds are expended on allowable grant activities.