

June 6, 2012

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Dear Representative:

On behalf of the 1.6 million members of the American Federation of State, County and Municipal Employees (AFSCME), I urge you to oppose the Workforce Investment Improvement Act of 2012 (H.R. 4297), during the House Education and the Workforce Committee markup this week and to instead support the Workforce Investment Act (WIA) of 2012 (H.R.4227).

Workforce programs are an essential component of a broad mix of policies, which also include direct job creation through federal investments in infrastructure projects and public services that are needed to sustain and spur job growth. Although there are still not enough jobs for the 13 million unemployed workers, the job training, education, skill upgrading, career guidance, state job banks, job matching and employer services provided by the workforce system are necessary to help the national economy operate efficiently and to help workers to find good jobs to support a middle-class way of life as the economy expands again.

Instead of strengthening our present workforce system, H.R. 4297 would cause it irreparable harm. AFSCME is especially concerned about the provisions that consolidate WIA and Wagner-Peyser programs and give the governors authority, without state legislative review, to consolidate the funding and administration of many more, including veterans' employment, Trade Adjustment Assistance (TAA), Unemployment Compensation and Temporary Assistance for Needy Families (TANF) programs.

The proposed consolidation of the WIA funding streams would give states wide discretion to decide who would receive services, and what kind of services they would get. While these decisions may be made on the basis of legitimate workforce needs, it is just as likely that they will be determined by ideological and political considerations. Without the existing program structures, workforce services will vary widely from state to state and within states depending on who holds political power. In addition, the consolidated funding structure will make the existing services more vulnerable to federal funding cuts and pit low-income and dislocated workers against each other. Services for dislocated workers will be adversely affected and populations with the greatest needs neglected. Furthermore, without a clear structure, accountability for federal funds will be weakened.

The elimination of the Wagner-Peyser program is especially troubling in light of its critical importance to Unemployment Insurance (UI) and its responsibility for other functions that are not related to workforce services. For example, H.R. 4297 fails to address how foreign labor certifications and maintaining the federal contractor job-listing requirement would be conducted.

American Federation of State, County and Municipal Employees, AFL-CIO

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The close relationship between the Wagner-Peyser and Unemployment Insurance systems was just recently demonstrated and reinforced by the Middle Class Tax Relief and Job Creation Act of 2012, which extended the federal Emergency Unemployment Compensation program. The new law strengthened the existing UI program's "work test" job search requirements and provided additional funds for the states to conduct ongoing UI eligibility assessments and reemployment services for UI claimants. It is hard to see how the new law could be implemented by non-state staff, such as local WIA contractors, given the complexity of the relationship between the state Wagner-Peyser Employment Service staff and UI staff (See attached fact sheet for more detail.)

In addition, the statewide and public structure of the Employment Service (ES) compliments the much more localized and privatized WIA structure. As a statewide system, the ES has the flexibility to work on a local, regional, statewide, and interstate basis and respond to emergencies by shifting staff from one part of a state to another. The state job banks serve all local areas and prevent unnecessary duplication of multiple job banks. Accountability is facilitated because the staff is part of a single personnel system based on a uniform standard of competence and skill requirements in order to provide impartial service delivery that is unaffected by such factors as maximizing profits or renewing grant contracts.

In contrast, H.R. 4227 strengthens the existing system in a number of important ways while maintaining the current programs and funding streams. It establishes separate funding for local one-stop operations, requires the establishment of career pathways strategies and initiatives, eliminates the current sequence of services policy, designates a specific portion of WIA funding for training, and promotes innovation in a variety of ways, including creating a new pilot program to strengthen state employment service operations and upgrade the skills of state staff.

Significantly, H.R. 4227 acknowledges the important contributions that local unions make in local workforce systems. It encourages the participation of local unions and joint-labor management partnerships, such as the well-respected Training & Upgrading Fund operated by AFSCME's Philadelphia affiliate, 1199C. And although AFSCME has and continues to believe that a tripartite board structure is the best way to promote the full participation of all stakeholders in the workforce system, H.R. 4227 does improve the representation of labor on the state and local workforce boards. In doing so, it stands in stark contrast to the gratuitous elimination of organized labor on the boards and elsewhere in the workforce system.

In conclusion, H.R. 4227 and H.R. 4297 present starkly different visions for our nation's workforce system. AFSCME believes H.R. 4227 is the best approach by far, and urges you to support it and vote against H.R. 4297.

Sincerely,



Charles M. Loveless
Director of Federal Government Affairs