

February 12, 2010

The Hon. Tom Harkin, Chair
Senate Appropriations Subcommittee on Labor,
HHS, and Education
184 Dirksen Senate Office Building
Washington, DC 20510

The Hon. Thad Cochran, Ranking Member
Senate Appropriations Subcommittee on Labor,
HHS, and Education
184 Dirksen Senate Office Building
Washington, DC 20510

Dear Chair and Ranking Member:

On Behalf of Goodwill Industries International (Goodwill) and its 159 local Goodwill agencies in the United States, I urge you to ensure that funding for workforce and vocational rehabilitation programs is a top priority for the Subcommittee in FY 2011. Goodwill agencies and their community partners are on the front lines of this recession assisting people with employment barriers, including individuals with disabilities, older workers, and welfare recipients who are struggling to find and keep jobs at a time in the highest unemployment in a generation.

Of the 1.5 million people served by local Goodwill agencies in the U.S. in 2008, nearly 160,000 people were referred to local Goodwill agencies for employment services through the Workforce Investment Act (WIA) and state Vocational Rehabilitation agencies. Many local Goodwill agencies are one-stop lead operators, or operators in association with other service providers, and are active on state and local workforce boards. While our agencies utilize a variety of federal funding streams, the following programs are of the highest priority to Goodwill:

WIA Adult, Dislocated Workers, and Youth Funding

As you know, the Administration's FY 2011 budget proposes to launch a Workforce Innovation Fund to "support and test promising approaches to training, and breaking down program silos, building evidence about effective practices, and investing in what works." Goodwill believes that this idea is promising and is very interested in the details.

Goodwill strongly believes that the proposed Workforce Innovation Funds should be paid for with funds in addition to, rather than at the expense of, existing WIA formula funds – in FY 2011 and beyond. We understand that your Subcommittee's funding allocation will be extremely tight as a result of the President's call for a discretionary budget freeze. However, it should be noted that the President's budget request for WIA programs is 7 percent less than in FY 2002 in actual dollars, a time when the unemployment rate was less than half of what jobseekers are experiencing today.

Goodwill believes that the workforce system is vastly under-funded and that the highest workforce priority must be the preservation of WIA formula funding streams. ***Therefore, Goodwill urges you to fund for WIA's adult, dislocated worker, and youth funding streams at current funding levels at a minimum before dedicating funding to the Administration's proposed WIA Innovation Fund.***

VR Funding

Goodwill Industries has a long history of helping people with disabilities to participate in the workforce despite their disability. Years of inadequate funding for Vocational Rehabilitation have left the system stretched much too thin to serve all who are eligible for assistance. As a result, more than half of the 80 state VR agencies have Orders of Selection, a provision within the Rehabilitation Act that requires state VR agencies, when faced with a shortage of funds to meet the demand for services, to prioritize the provision of services to eligible people based on the severity of people's disabilities. In addition, reduced funding for WIA has placed an additional strain on mandatory partner programs, including Vocational Rehabilitation, which are being asked to contribute more funding to pay for infrastructure and other costs associated with the operation of one-stop centers.

Goodwill Industries supports the President's intent to increase multi-system collaboration and support for youth with disabilities who are transitioning from education to the workforce. However, Goodwill is concerned that the President's FY 2010 budget proposal would eliminate existing VR programs in order to achieve these goals. First, the President proposes to eliminate VR's supported employment state grant program to create a supported employment program for youth who are transitioning from education to the workforce. For more than two decades, Goodwill has offered supported employment as a part of its service array. According to Goodwill Industries International's Annual Statistical Reports, participation in local Goodwill agencies' supported employment programs grew dramatically from serving 270,000 individuals in 2007 to serving more than 402,000 individuals in 2008.

Furthermore, the Administration's budget proposes to eliminate funding for VR's Projects With Industry and migrant and seasonal farmworker program. These funds would instead be used to pay for increased collaboration between the Department of Education, the Department of Labor and other agency heads. As noted earlier, Goodwill is intrigued by the Administration's proposal to stimulate system collaboration by creating a Workforce Innovation Funds; however, the Goodwill opposes paying for the Workforce Innovation Fund by eliminating or reducing funding for critical programs for people with barriers to employment. *Therefore, Goodwill urges you to preserve funding for VR.*

Green Jobs

Goodwill believes that the green jobs sector has great potential for increasing employment opportunities in high-growth fields for people with employment barriers and many Goodwill agencies are helping workers learn skills that will help them secure jobs in energy efficiency and alternative energy industries. We greatly appreciated the Subcommittee's inclusion of \$500 million for sectoral initiatives focused on green-related industries in the Recovery Act, and are thrilled that Goodwill Industries International and four local Goodwill agencies have been selected by DOL to provide training and placement in the renewable energy and energy efficiency sectors. *Goodwill urges you to appropriate \$85 million for green jobs as requested by the Administration.*

Senior Community Service Employment Program (SCSEP)

According to the Bureau of Labor Statistics, the unemployment rate (seasonally adjusted) for older workers over 65 years old has reached 7.2 percent, the highest level since the federal government started tracking such trends in 1948. The Senior Community Service Employment Program (SCSEP) helps provide low-income older workers with community services employment and private sector job placements. Goodwill is one of the newest SCSEP grantees. In 2009, SCSEP participants contributed nearly 1.2 million community service hours and our private sector placements averaged a starting wage of \$8.67 per hour. In addition, as a result of the Recovery Act, which allowed Goodwill to start enrolling more participants in April 2009, SCSEP participants provided an additional 140,000 community service hours and our private sector placements started at \$8.31 per hour.

Goodwill recognizes and very much appreciates the monumental investment that the federal government has placed on helping older workers to survive the economic crisis. Congress has demonstrated its commitment to older workers by providing an additional \$120 million for SCSEP in the Recovery Act, and a \$250 million increase in FY 2010. These funds have allowed local Goodwill agencies to better address our waiting list of participants and help many more older workers with part time employment. .

We are greatly concerned that the President's budget seeks to cut this program by 27 percent, as these older workers have multiple barriers to employment and will be among the last rehired as the economy improves. *Goodwill urges the Subcommittee to reject the Administration's proposed cuts to SCSEP and*

continue funding SCSEP at current \$825 million at a minimum so that it can continue to better meet the needs of the increasing number of low-income older workers.

Temporary Assistance for Needy Families (TANF) Funding

Since the TANF program was created in 1996, Goodwill Industries International has provided more than 1.5 million TANF recipients with pre- and post-employment services, including skills training, job search assistance, job retention support, and other career programs tailored to their needs. Goodwill career counselors seek to develop individualized career plans, aiming to help people find jobs and move up the career ladder.

The Administration's FY 2011 budget proposal would extend TANF as is for one more year but with new funding. The proposed new funding includes a \$2.5 billion "emergency fund" and a \$500 million "Fatherhood, Marriage and Families Innovation Fund." The \$3 billion proposed for these two funds represents about a one-sixth increase in federal TANF spending, a significant anti-poverty investment. However, a larger anti-poverty investment is urgently needed as family poverty is now so common. The welfare rolls increased by 5 percent last year, the first increase in the program in 15 years.

Goodwill appreciates the emergency TANF funding as it creates incentives for states to aid more poor families; however more must be done to reduce access barriers at the state and local level and to raise sub-poverty benefit levels. ***Congress should expand the Administration's proposal to assist more of the families who are now living in extreme poverty and must address some of the structural flaws within the program during reauthorization this year.***

One of Goodwill Industries greatest strengths is its entrepreneurial approach to sustaining its mission. In 2008, the Goodwill Industries network raised more than \$3.2 billion through its retail, contracts, and mission services operations. Nearly 84 percent of these funds were reinvested directly in service to more than one million people in need. However, federal investments are also critical to our overall ability to provide assistance to our program participants. We stand committed to working with Congress and the Administration toward implementing solutions that will restore economic stability by empowering disadvantaged populations.

Goodwill thanks you for considering these requests, and looks forward to working with you to help government meet the serious challenges our nation faces. We would be happy to provide the Subcommittee with more information by meeting with you and your, and testifying at the public hearing. Please feel free to contact me at (240) 333-5202 or Seth Turner, Director of Government Affairs and Public Policy, at seth.turner@goodwill.org or (240) 333-5508.

Sincerely,



Jim Gibbons
President and CEO

cc:
House Labor, HHS, and Education Subcommittee Members