

**Testimony Submitted for the Record
U.S. House of Representatives
House Appropriations Committee
Submitted on April 20, 2010**

**Submitted by
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Mr. Chairman, Ranking Member, and Members of the Committee, on behalf of Goodwill Industries International® (GII), I appreciate this opportunity to submit written testimony on Goodwill's priorities for funding programs administered by the U.S. Departments of Labor, Health and Human Services, and Education.

Goodwill Industries International (GII) represents 159 local and autonomous Goodwill Industries agencies in the United States that help people with barriers to employment to participate in the workforce. One of Goodwill Industries' greatest strengths continues to be its entrepreneurial approach to sustaining its mission. In 2008, the Goodwill Industries network raised nearly \$3.7 billion through its retail, contracts, and mission services operations. Nearly 83 percent of the funds Goodwill Industries raised in 2009 was used to supplement government investments, resulting in nearly than 2 million different people served by local Goodwill agencies, including more than 155,000 job placements. In addition to our efforts to help people find jobs and advance in careers, Goodwill understands that many people need additional supportive services – child care, reliable transportation, stable housing, counseling and assistance in adjusting to the workplace, assistive technology – to ensure their success.

Especially during such trying economic times, Goodwill Industries understands the difficult challenge that appropriators face as they struggle to stretch limited resources to support an ever-increasing list of national priorities. As the nation struggles to recover from the worst recession since the Great Depression and unemployment stubbornly hovers near 10 percent, Goodwill Industries' remains committed to partnering with stakeholders at the federal, state, and local levels by contributing the resources and expertise of local Goodwill agencies in support of public efforts and investments.

While our agencies care about a range of federal funding streams, GII believes that federal investment in the Workforce Investment Act, Vocational Rehabilitation, the Senior Community Service Employment Program (SCSEP), Green Jobs, and TANF will help the Goodwill network to do more for the people in communities across the country who are struggling to overcome employment barriers. Furthermore, Goodwill supports the Administration's proposal to increase funding to strengthen enforcement of wage and hour standards. Goodwill urges Congress to provide adequate funding in FY 2011 for these critical programs.

Workforce Investment Act

Funding for the Workforce Investment Act's adult, dislocated worker, and youth formulas is one of Goodwill's top funding priorities for FY 2011. Goodwill agencies and their community partners are on the front lines of this recovery effort 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 when unemployment is at its highest rate experienced in a generation.

Of the nearly 2 million people served by local Goodwill agencies in the U.S. in 2009, 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.

As members of this Subcommittee 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, is very interested in the details, and is encouraged by the Administration's efforts to increase interagency collaborations and leverage resources provided by community-based organizations.

Goodwill strongly believes, however, 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 this 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 in actual dollars than in FY 2002, 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 preservation of WIA's formula funding streams should be a high priority. ***Therefore, Goodwill urges Congress to sustain 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 the challenges their disabilities present. 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 VR, 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 2011 budget proposal would consolidate 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 Report, participation in local Goodwill agencies' supported employment programs has grown dramatically in recent years from providing 270,000 coaching sessions in 2007 to 630,000 sessions in 2009.

Furthermore, the Administration's budget proposes to eliminate funding for VR's Projects With Industry and the migrant and seasonal farmworker program. The Administration asserts that services provided by these programs will continue under the VR state grants funds and would eliminate duplication. The resulting savings would be used to help 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 Fund; however, 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.***

Senior Community Service Employment Program (SCSEP)

According to the Bureau of Labor Statistics, the unemployment rate for older workers over 65 years old is at the highest levels since the Department started keeping records 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 Congress 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.

Goodwill is 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. At a minimum Congress should sustain funding for SCSEP at its FY 2010 level, \$825 million, so that the program can continue to better meet the needs of the increasing number of low-income older workers.***

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.*

Enforcement of Wage and Hour Standards

Goodwill favors increased enforcement of the Fair Labor Standards Act, specifically section 14(c) which allows for the use of a special minimum wage certificate to employee individuals with disabilities that directly impair their productivity. As such, Goodwill supports the President's budget proposal of \$244.2 million and 1,672 full-time employees for the Wage and Hour Division to support targeted investigations focusing on industries where misclassification is common.

Goodwill thanks you for considering these requests, and looks forward to working with you to help government meet the serious challenges our nation faces.