

Goodwill Industries International
WIA Reauthorization Principles
November 24, 2008

Goodwill Industries International, Inc. represents 184 local and autonomous Goodwill Industries agencies in 48 states and 16 countries that help people with barriers to employment to participate in the workforce. The roots of today's Goodwill Industries International began as a simple idea in 1902 when Rev. Edgar Helms set out to help poor immigrants in Boston's South End by collecting clothes and household items from wealthier Bostonians to give clothing and household items for the struggling immigrants. He discovered, to his surprise, that the immigrants were too proud to simply accept the items. So he took his idea a step further by enlisting volunteers to repair, clean, and sell the items at reasonable prices. He used the revenue to provide wages to the workers – and the first Goodwill Industries store was born.

More than 100 years later, Edgar Helms' idea of "a hand up, not a handout" has become a powerful one. As North America's leading provider of employment and training services for people with disabilities and disadvantages that keep them from being successful in the workforce, Goodwill Industries International urges Congress to include provisions in the WIA reauthorization bill that would allow us to do more. Goodwill Industries International believes that the more than five-year delay in reauthorizing WIA has left it vulnerable to budget cuts and rescissions that have left the workforce system underfunded and spread too thin. Therefore, we are encouraged that the Senate Health, Education, Labor, and Pensions appears to be interested in reviving the bi-partisan bill that has been pending in Congress for several years, and passing a WIA reauthorization early in the 111th Congress.

In its solicitation to stakeholders for input about needed improvements to WIA, the Senate HELP Committee asked for comments along the five following themes.

1) A market driven system that recognizes the needs of workers (and job seekers) and employers, makes maximum use of partnerships among business, labor, education, civic and community leaders for improving the workforce system, and leverages public and private resources with a shared goal of successful employment.

The reauthorization of WIA offers an opportunity to ensure that our public workforce system is responsive to the diverse needs of workers and employers. Goodwill Industries International looks forward to working with Congress and the new Administration toward developing a bi-partisan WIA reauthorization bill that invests in the future of our workforce while assisting individuals with barriers to employment to obtain the job skills necessary to become self-sufficient and meet the needs of our nation's businesses.

As members of the Committee know all too well, the Workforce Investment Act expired in 2003. Although Congress has continued to appropriate funds for WIA's expired Adult, Youth, and Dislocated Workers programs, funding levels for these programs have steadily eroded – from \$3.9 billion in FY 2002 to \$3.2 billion FY 2007. Certainly, the time to reverse this trend is now. While increasing appropriations for WIA would help significantly, Congress should also enact provisions through reauthorization

that would ensure that more funding is targeted toward training that meets the need of local and regional businesses and industries. We urge Congress to strengthen provisions in WIA to encourage inclusion of community-based organizations in the operation of One Stop Career Centers to support innovation in creating effective solutions to local and regional issues.

The experience of local Goodwill agencies informs us that training is desperately under funded. According to a study conducted by the Government Accountability Office (GAO) in June 2005, approximately 40 percent of WIA's funding is spent on training; however, the Center on Law and Social Policy (CLASP) asserts that "anecdotal information suggests that local investment in training varies widely, with some localities spending less than 10 percent of WIA funds on training." Goodwill Industries International believes that creating a separate line item for infrastructure could help to direct more funding to pay for training; however, Goodwill Industries International believes that funding for infrastructure should come in addition to, rather than at the expense of, WIA's already inadequate existing funding streams. Goodwill Industries International also recognizes that fair share requirements on WIA's mandated partners may be creating a strain on those partners who have reduced financial resources.

Goodwill Industries International also recommends that Congress strengthen WIA's intent to engage a broad array of local stakeholders, including community-based organizations, in governance to promote collaborative, innovative, proactive responses to local and regional workforce and economic development issues.

One of Goodwill Industries greatest strengths is its entrepreneurial approach to sustain its mission. Many of our local agencies operate One Stop Career Centers or function as service providers in the public workforce system. In 2007, the Goodwill Industries network raised more than \$3 billion through its retail, contracts, and mission services operations. Nearly 84 percent of the funds Goodwill Industries raised last year were used to serve more than 1 million different people, 17.6 percent of which were referred to our agencies through WIA and 4.5 percent of which were referred through state Vocational Rehabilitation agencies. Because Goodwill Industries agencies are in the retail and contracting businesses, they are uniquely positioned to provide training and transitional employment opportunities, in the context of these businesses, to people with barriers to employment. In addition, because Goodwill businesses provide private funding sources for their mission services, Goodwill Industries agencies serve their communities by providing a supplemental funding source to the workforce system. Furthermore, Goodwill Industries International believes that changes could be made in WIA to reinforce the notion that business is a top-priority customer.

We strongly encourage you to ensure that community-based organizations remain a vital component in the development of the future workforce system, particularly in the delivery of services through our nation's array of One Stop Career Centers. Community-based organizations are deeply rooted in their localities and provide quality services, often at a lower cost than other alternatives.

2) A streamlined decision-making system that recognizes the necessary and complementary roles of the state, local areas, and state legislatures, and offers incentives for local areas to create regional arrangements, develop strategies for economic growth, and pool resources for education, workforce, and economic development in support of such strategies.

The experience a local Goodwill agencies is that some local WIBs have not been empowered enough by their local decision makers. WIBs should be given more autonomy to make decisions. Furthermore, the definition of a business should be aligned with those in the tax code to allow 501(c)(3) organizations that want to participate on WIBS to count toward a WIB's business ratio.

3) A system that offers easily accessible, quality services for low-skilled and low-earning workers to advance in careers, for dislocated workers (regardless of cause) to obtain new, high demand careers, for young people both in and out of school to acquire a diploma and the credentials for 21st century careers, and for people with disabilities to obtain meaningful and gainful employment leading to independent living – including adult education, postsecondary education, registered apprenticeships, vocational rehabilitation and other occupational training that result in industry-recognized credentials and complement and contribute to regional economic growth strategies.

Goodwill Industries International urges Congress to improve access to training and supports to ensure that people with barriers to employment – including individuals with disabilities, chronically unemployed persons, welfare recipients, ex-offenders and returning prisoners, and those with limited English proficiency – are able to sustain adequate resources for themselves and their households. For example, transitional jobs could be utilized to support labor market attachment of individuals with significant barriers to employment.

Goodwill Industries International believes that public, private (for-profit and non-profit), and other community resources should be leveraged and coordinated to respond to local and regional needs.

4) A system that maximizes use of innovative workforce and economic development strategies including expansion of sector or industry cluster approaches in areas such as energy or advanced manufacturing, aid to entrepreneurs to grow and develop new companies, and support for incumbent worker training to avert layoffs, to advance the skills of the current workforce, and to increase productivity.

Goodwill Industries International agrees that one of WIA's goals should be to promote economic development and employment opportunities in innovative and high-growth employment sectors that provide opportunities for career advancement. For example, we believe that so-called "green collar" jobs represent an enormous opportunity for our nation to restore its standing as a leader in the development of technological solutions that employs thousands in innovative fields or industries that support such innovation. We commend Congress for including the Green Jobs Act in the comprehensive energy bill that passed in December 2007, and urge Congress to fund the Green Jobs Act at its full authorized level. While jobs in the renewable energy and energy

efficiency fields are certainly key fields within the green jobs sector, we believe that more could be done to entice industries to go green and thus employ workers in other green collar jobs or industries that support a green economy. In addition to preserving our current energy sources and developing alternative and renewable energy sources, Congress should promote employment in other industries that preserve other precious resources and our environment. Congress should promote employment opportunities in other green jobs sectors, including recycling, computer refurbishing, and green building construction.

5) A highly accountable system that is transparent and easily explainable, uses commonly recognized measures to assess performance, including a return on taxpayer dollars, makes information widely available to improve service quality and performance, and offers maximum flexibility to high performance states and regions that have a demonstrated record of meeting and exceeding goals.

Goodwill Industries International believes that universal outcomes measures should be evaluated and realigned to focus efforts on results desired in local communities. In addition, WIA's performance measures should incentivize the provision of quality services to individuals among harder-to-serve populations such as individuals with disabilities, chronically unemployed persons, welfare recipients, ex-offenders and returning prisoners, and those with limited English proficiency. The establishment of stratified or weighted outcomes metrics that encourage inclusion of people with barriers to employment in services would recognize and accommodate populations that require extended and more costly services to ensure success.

We support the previous Senate bills inclusion of measures that help meet employers' skills needs such as the customer satisfaction and skills attainment standards. Goodwill Industries International encourage Congress to reject any attempt to include an efficiency measure that would result in creaming, making it more difficult to serve participants with disabilities and other hard-to-serve populations. An alternative to the use of "efficiency" may be to develop a return-on-investment (ROI) measure, which has been used effectively in several states.

Goodwill Industries International thanks all the Members of the Senate Health, Education, Labor, and Pensions Committee and their staff for providing Goodwill Industries International this opportunity to inform the legislative process. We look forward to working with the Committee on this critical issue in the future. For more information, please contact, Seth Turner, Acting Director of Government Affairs and Public Policy at seth.turner@goodwill.org or (240) 333-5508.