

October 27, 2011

The Hon. Harold Rogers, Chair
House Appropriations Committee
Room H 307, The Capitol
Washington, DC 20515

The Hon. Norm Dicks, Ranking Member
House Appropriations Committee
Room 1016 Longworth House Office Building
Washington, DC 20515

The Hon. Denny Rehberg, Chair
House Appropriations Subcommittee on Labor,
HHS, and Education
2358 Rayburn House Office Building
Washington, DC 20515

The Hon. Rosa DeLauro, Ranking Member
House Appropriations Subcommittee on Labor,
HHS, and Education
1016 Longworth House Office Building
Washington, DC 20515

Dear Chairs and Ranking Members:

On Behalf of Goodwill Industries International (Goodwill) and its 158 local Goodwill agencies in the United States, I urge you to support Senate funding levels for workforce programs in the FY 2012 Labor, HHS, Education and Related Agencies funding bill when you move to Conference Committee negotiations.

Now more than ever, with unemployment slowly declining from the highest levels experienced in a generation, local Goodwill agencies are on the front lines of the fragile recovery assisting people with employment barriers who are struggling to find and keep jobs during a stubbornly tight job market. In 2010, Goodwill provided job training, employment services, and supportive services to nearly 2.5 million individuals. This was done by raising more than \$4 billion in Goodwill's retail stores and other social enterprises and investing 84 percent of its privately-raised revenues to supplement federal investments in programs. In fact, Goodwill's collective investment in these services exceeded the Department of Labor's combined investment in the Workforce Investment Act's (WIA) Adult, Youth, and Dislocated Worker formula programs.

While Goodwill is proud of these and other achievements, they are truly the result of a public-private partnership. Most Goodwill agencies have people referred to them through the workforce system. Several agencies are one-stop lead operators or operators in association with other service providers, and are active on state and local workforce boards. As a result, Goodwill placed more than 170,000 people in jobs and employed 98,000. Nearly 120,000 people were referred to Goodwill from the workforce system.

In 2010, the workforce system served more than 8 million people, placing more than half in jobs while helping others to access education and training aimed at improving their future employment prospects. Yet the House version of the FY 2012 Labor, HHS Education appropriations bill proposes to cut funding for the WIA formula funding streams from nearly \$3 billion to less than \$725 million under the rationale that it is merely changing the annual funding cycle for these programs. Goodwill believes that such a drastic cut would cripple the system, with little opportunity to restore current funding levels for these programs in future years due to the tight overall discretionary caps facing your Committee.

Some local Goodwill agencies already report that they have made an intentional decision to use reserves to provide funding for services in excess of their projected revenue. If funding for WIA were to be cut to the level that the House bill proposes, Goodwill would not have the capacity to take up the slack. Most agencies would be forced to turn people in need away or risk being overleveraged to the brink.

Goodwill understands that policymakers face a difficult challenge in stretching limited resources to cover a range of priorities; however the workforce system is vastly under-funded and preservation of WIA's formula funding streams should be a high priority. ***Goodwill strongly urges Congress to accept the funding levels proposed in the version of the bill that has been agreed to by the Senate Appropriations Committee and reject the House draft bill's proposed funding cuts for workforce programs.***

Goodwill thanks you for considering its concerns. Please feel free to contact me at (240) 333-5202 or Seth Turner, Senior Director of Government Affairs and Public Policy, at seth.turner@goodwill.org or (240) 333-5508.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Gibbons", with a long horizontal flourish extending to the right.

Jim Gibbons
President and CEO