



The Workforce Alliance's Recommendations for Department of Labor (DOL) Review for President-Elect Obama's Transition Team

New Focus on Middle Skill Jobs: There has been a great deal of recent interest in a new federal policy discussion that brings new attention to middle-skill jobs—that is, the majority of skilled jobs in the U.S. labor market that require some education or training past high school, but not a four-year college degree. President-Elect Obama has already brought attention to the need for expanded college access, but there is an agenda to be developed by DOL about a new “skills guarantee” so that every working American, young or old, can at least qualify for a middle skill job.

Win Back Congressional Support for DOL Strategic Grant Initiatives: The “President’s Demand-Driven Grants Initiative” (i.e. Community Based Job Training Grants, The high-Growth Job Training Grants Initiative, and WIRED), while based on workforce development best practices such as sector partnerships and regional economic strategies, were often presented by the Department as an alternative to congressionally authorized, formula-funded programs like WIA, TAA, etc. Congress has already moved to limit ETA’s authority in how it spends H1-B visa fee funds, the source for both the High-Growth and WIRED grants, and even with a change in Administration, the incoming DOL will need to convince Congress that future grant-making authority is being used to strategically supplement/enhance congressionally authorized programs (vs. compete with them). It will be key for DOL to demonstrate this in the type of activities being funded, in their statutory relationship to existing programs, and in its reporting to Congress on outcomes.

Sector (or Industry) Partnerships as a Key Demand-Side Strategy: This should be a key focus of DOL grant making, to replicate effective state /local efforts already in the field. (S.3368, the SECTORS Act introduced by Senators Brown and Snowe, provides some language on grant structure.) It will be necessary to show Congress how these grants improve upon preceding Department initiatives by explicitly including a range of partners (business, labor, service providers), paying attention to the range of workers being served, and mandating clear performance expectations. DOL should further focus on awarding such grants on the basis of performance and true partnership between local stakeholders vs. choosing one type of institution as the only eligible recipients.

Replace National Corporate Partners and Business Relations Group (BRG) with National Industry Taskforces: DOL national corporate partners did not contribute to the industry knowledge inside the Department, and in some cases only re-enforced perceptions of ETA pushing for large-scale hiring initiatives vs. industry-targeted skills investments. The Business Relations Group (BRG) also made grants with limited knowledge of the industries they were funding. To increase the credibility of industry-targeted grant-making, DOL should consider creating new multi-stakeholder industry councils of business, labor, training providers, et.al. to advise the Department on grant-making to specific industries. Such councils could provide a point of collaboration with industry initiatives originating from outside DOL (e.g., green jobs funded by Dept. of Energy, infrastructure jobs funded by Dept. of Transportation, healthcare jobs funded by HHS/CMS).

**Link New Industry-Targeted Job Creation Initiatives to Workforce/Education Systems:**

There is a growing concern that proposed job creation initiatives (e.g., green jobs/climate change, new infrastructure/transportation stimulus) are either [1] not including training initiatives to ensure there is a diversity of skilled workers to fill created jobs, or [2] that any proposed training initiatives are largely disconnected from existing workforce and higher education systems, thereby limiting their long-term impact or prospects for leveraging future skills investments to help people advance in those industries. All such proposals, including any job creation proposals in an economic recovery bill, should include an explicit “human capital” component, and those training investments should be structured in a way to build upon existing systems (WIA, HEA, TAA, *et al*).

Career Pathways (with Depts. of Education, HHS, *et al*) as Key Supply-Side Strategy: The Obama Administration should work with Congress to establish new collaborations across the agencies that administer different elements of the workforce skills solution: DOL (WIA Title I, TAA, apprenticeship, various youth programs), DOEd (WIA Title II, Perkins, HEA), HHS (TANF-funded training and related support services), etc. Many states are initiating cross-agency “career pathways” initiatives to better align these programs and thereby ease student-worker transitions across both programs and institutions—but there is need for a similar reorientation between federal agencies. DOL should work with Congress to develop a cross-agency center or taskforce to assess all federal programs that impact on workforce education and training (including those in the traditional higher education system), quantify what industry-recognized credentials are being earned via these programs, and measuring whether that range of credentials matches the spectrum of professional and middle-skill credentials currently demanded by the labor market. Further, DOL should work with other agencies and with Congress to remove the federal statutory barriers that frustrate program alignment. DOL and DOEd might consider making joint grants to states to improve cross-program alignments.

Establish Workforce Offices at Other Federal Departments: Where there are other federal workforce training initiatives—or where federal funding is creating workforce demand within particular industries—DOL should work with those departments to establish an in-house workforce office to serve as a point of contact with ETA. Possible examples include the Department of Energy (which may be administering some portion of Green Jobs creation/training), HHS-CMS (nurse and direct care workforce training related to Medicare/Medicaid programs), Transportation (SAFTEA-LU, infrastructure initiatives), and Commerce (MEP initiatives).

Broaden “Opportunity” Tax Credit to Include Middle-Skills Training for Youth & Adults:

President-Elect Obama suggested during the campaign that he would introduce a large-scale effort to expand access to traditional college education through his “American Opportunity Tax Credit.” This is an exciting first step, but DOL—as the voice on workforce initiatives in the Administration—should advocate for an expansion of that credit to also support “non-traditional” college students who are working and taking vocational classes, usually less than half-time, in pursuit of a middle-skill job. Most of those working students will not qualify for the President-Elect’s proposed tax credit. Rep. Emmanuel’s “Universal Higher Education and Lifetime Learning Act” (H.R. 2458) could serve as a model from an expanded tax credit.



Expand Apprenticeship Initiatives, and Connect them to WIA, Perkins, etc.: Similarly, there will be many young people and adults who will not be college-bound, but who would likely benefit from an expansion of apprenticeship opportunities in which they can both work and learn a trade. DOL should expand its Office of Apprenticeship, and better link its efforts both to DOL administered programs (WIA, Job Corps, YouthBuild), as well as the K-12 and college vocational systems (Perkins).

DOL's Role in Breaking the WIA Reauthorization Log-Jam: While there are many changes (short- and long-term) needed to make WIA truly effective, a primary issue that has halted its legislative progress has been the “infrastructure” overlap between the WIA-funded One Stop system and the Wagner-Peyser funded Employment Service. One possible solution would be for DOL to identify a clear division of labor between the two public services, assessing which system is better positioned to provide core/labor exchange functions, intensive counseling functions, referrals to training, and/or long-term advancement support services. DOL could also help by setting a budget-line request for WIA infrastructure operations (One Stops, WIBs, etc.) as part of its FY2011 Budget. This will put it on an equal fiscal footing with Wagner-Peyser programs. It also will provide some clarity about the amount of WIA formula funds that should be going to infrastructure operation vs. training and other worker services.

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