



Testimony of Robert G. Templin, Jr., President
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Labor and Pensions

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Chairman Harkin, Ranking Member Enzi, and distinguished members of the Committee, thank you for the opportunity to address you today. My name is Bob Templin and I am the president of Northern Virginia Community College, or “NOVA” as our students call us. NOVA is an open door, public community college offering credit programs through the associate degree level, as well as workforce development programs. Serving over 72,000 students annually in degree credit programs and 20,000 in workforce development courses, NOVA is one of the largest and most ethnically-diverse institutions of higher education in the United States.

I have come to speak with you today about the need for our nation to create an integrated workforce development system that offers a seamless delivery of services to address employment, education, and skill needs of workers, job seekers, and employers.

The Next Economic Recovery: Who Will Benefit?

Even as the unsettled economy continues to behave in volatile ways, forecasters are predicting that a new generation of innovations (from energy, the life sciences, green technologies, health care reform, and information technology) hold the promise not only of driving economic recovery, but also of sparking another extended period of economic expansion in America. If such forecasts are on target, there will be many opportunities for those who are ready to take advantage of the economic updrafts. But during the last economic expansion, too many poor Americans did not gain lift from these updrafts. During the next economic expansion, our country must take the initiative, anticipate labor market changes before or as they occur, and then use these changes to create new economic opportunities for all of our people, including those from low-income neighborhoods. What should our country be doing now that will help our poor people and low-income communities soar when the economy rises again?

Even when skill shortages reemerge, adults and youth living in low-income communities are likely to be left out of the picture, unless special efforts are made. They not only lack the specific skill sets required for the changing economy, they often lack the foundational knowledge needed to acquire higher-level skills, and they most often lack a market-valued portable credential. The poor frequently are the last to benefit from economic expansion and among the first to be affected by downturns in the economy such as the current recession. Entry-level skill training represents only one part of what is required for a worker to secure and retain meaningful employment. Without broader foundational knowledge, post-secondary-level training, a portable credential, and actual job experience, narrowly focused skill development too often results in a one-way ticket to entry level jobs that are the first to be lost at the next technology innovation or economic downturn.

Building a Workforce System with Family-Sustaining Wages

The challenge is that we have to move beyond a preoccupation with short-term entry-level skills training and move toward a workforce development system that encourages training that leads to both employment and a postsecondary credential and provides employment with family-sustaining wages.

In reauthorizing the Workforce Investment Act (WIA), Congress should reform the workforce system with the goal of providing workers access not only to immediate employment, but simultaneous access to portable and “stackable” postsecondary credentials leading to sustainable-wage jobs. Currently, WIA and other workforce development programs are not doing enough to establish clear and multiple pathways to market-valued postsecondary credentials for workers, especially those with low skill levels. Too often training providers operate in relative isolation providing entry-level training skills that do not result in a portable and market-valued credential. And, they are not incentivized to work as part of a larger workforce system, across organizational boundaries, to create a seamless pipeline that develops

low-skill individuals into higher-skill workers who can find and maintain employment in higher-wage jobs. To do this, the workforce investment system must spur greater degrees of innovation and collaboration between key stakeholders.

The Role of America's Community Colleges in the New Workforce System

One of those key stakeholders is America's community colleges. With the proposed American Graduation Initiative (AGI), the current Administration has recognized the importance of community colleges in making the United States a world leader in higher education attainment by 2020. I urge the Senate to pass that critical legislation. For the same reasons that underlie the broad AGI initiative, community colleges should play a central role in the WIA system as well. Community colleges are the primary "on ramp" for the majority of low-wage and first-generation college goers in America. Community colleges are America's public asset in moving low-skill workers into higher-paying careers. Whether it be educating low-skilled adults and those with limited English proficiency and transitioning them to postsecondary education, developing and offering cutting-edge occupational programs, or working directly with businesses to help train their workers, community colleges are a natural hub of the workforce development system. But too often, community colleges are regarded as mere vendors in a system where they should be looked upon and behave as true partners.

Some states have positioned community colleges strategically as the hub of their workforce development system. For example, in my home state of Virginia, the Governor asked the community college system to administer the WIA program and to serve as staff to the state workforce investment board. The reasoning behind this move was simple: in an era in which high school is no longer the finish line, state and federal programs should utilize and support the public asset that anchors workforce development at the postsecondary education level – the community college. On a national level, however, WIA is essentially agnostic as to training providers. Prioritizing the role of community colleges is key to strengthening the system overall. Community colleges are the closest thing this country has to a national network of ubiquitous, low-cost and high-quality training providers, and the WIA legislation should reflect that. Community colleges are a national asset that WIA is not leveraging to its fullest.

One such community college is Northern Virginia Community College. NOVA has developed new ways that community colleges and community-based non-profit job training programs can work together to help low-income Americans secure higher-paying jobs and long-term career advancement by rapidly progressing toward a postsecondary credential. I would like to describe three such partnerships between NOVA and community-based organizations to help illustrate the points I want to make regarding WIA reauthorization.

Training Futures

One of these is a program that integrates the training provided by a community-based organization with NOVA's postsecondary certificate program in office administration. For the past six years, NOVA has teamed with Northern Virginia Family Service (NVFS), a community-based 501(c)3 non-profit organization that assists low-income families with challenges that range from health and housing issues to economic concerns and traumatic crises. NVFS has a training program named Training Futures (TF) that targets underemployed and unemployed Northern Virginia family breadwinners. Three-fourths of the trainees are immigrants. Most are stuck in dead-end retail, service and manual labor jobs paying an average wage of \$10.00 an hour with no benefits. Two-thirds are trying to raise families with an average annual income of \$20,000. Many of these family breadwinners wake up every day knowing they may be just one missed paycheck from receiving an eviction notice. Without upgrading their skills for new jobs,

these working poor can remain stuck for years living on the edge of homelessness. And, without a postsecondary credential, their chances of upward mobility are slim to none.

Training Futures delivers a 24-week comprehensive training and internship program targeted at entry-level health care office administration jobs. Because of its partnership with NOVA, TF graduates leave the program with marketable skills and a jump start toward a college degree with 17 college credits. Through this community college-nonprofit workforce development partnership, over 500 low-income trainees at Training Futures have earned college credits to help them launch and advance new careers. Earning college credits gives TF graduates an edge in competing for scores of job openings in Northern Virginia that list “some college preferred” on job ads. Despite the recession and decline in hiring, Training Futures’ job placement outcomes have remained in the 80% range.

According to a recent third-party survey, one-third of TF’s graduates have continued working toward an associate degree at NOVA after graduating from the program. Were it not for the special collaboration between NOVA and Training Futures, it is likely that most program completers would have little prospect of achieving a postsecondary credential or career mobility. By creating an “on ramp” to college, NOVA and TF have created the pathway for continuing professional development that helps graduates accelerate their career advancement and job security, with two-thirds of graduates reporting promotions. It also contributes to nearly doubling of graduates’ earnings to over \$35,000 at the time of the graduate survey. In addition to graduates’ wage increases, the survey also documented an 82% increase in homeownership, doubling of the proportion of trainees receiving employment benefits such as health care insurance, and doubling of average family savings.

Year Up

Year Up is another example of a community-based non-profit that teams with NOVA in the Washington, DC metro area. It offers a one-year, intensive training program, providing a combination of technical and professional skills in information technology, an educational stipend and corporate internships. Working with NOVA, the program offers a semester’s worth of college credit to those completing the program. Year Up students are young adults between the ages of 18 and 24 who know they can do better than remaining in minimum-wage jobs. Some are single parents. But with only a high school education, they lack the skills, experience, and credentials to launch themselves onto a career track. They see Year Up as their launching pad for both an IT career and a start in college, especially now that graduates receive college credit from Northern Virginia Community College. Within four months of graduation, nearly 80% of Year Up completers are employed with average earnings of over \$35,000 a year. Year Up currently serves more than 1,600 students a year at sites in Atlanta, Boston, Providence, New York City, San Francisco, and Washington, D.C.

Goodwill Industries International

A third example of community college-CBO partnership illustrates the potential power that a collaborative relationship between America’s community colleges and community-based nonprofits could have if scaled nationally. Last November, national leaders from Goodwill Industries International, the nation’s largest non-profit job training provider, teamed with NOVA and a group of America’s community colleges to chart a national strategy to help thousands of low-income Americans nationwide achieve extraordinary job and college attainment results. The vision is to create a national workforce development strategy between the nation’s community colleges and Goodwill Industries International, to provide skills training to low-income individuals and to create an explicit pathway toward a postsecondary credential and a family-sustaining wage with healthcare and retirement benefits. Such a partnership between America’s 1,200 community colleges and Goodwill Industries offices nationally that

serve 1.5 million low-income and disabled individuals annually offers an unprecedented opportunity for our country to help low-income Americans achieve self sufficiency and build a more competitive economy.

The Current WIA Environment

In Northern Virginia, NOVA and the Northern Virginia Workforce Investment Board have a strong history of collaboration, focusing on :

- targeted industry and occupational training, particularly in nursing and allied health worker training and teaming through a WIA Community-Based Job Training Grant;
- job placement within high impact employers and industries. In Northern Virginia, NOVA has consistently been the largest training provider of WIA training programs in the region;
- collaborative service strategies, such as workforce board-administered career centers on NOVA campuses or NOVA employer outreach teams based at Northern Virginia Workforce Board's Comprehensive Workforce Centers; and
- win-win efforts on behalf of both workers and the region's businesses. In 2009, the Northern Virginia Workforce Board funded an economic feasibility study to develop a new workforce development center on one of NOVA's campuses. That study will be the basis by which NOVA will seek additional state funding to build this center.

But, even with the strong relationship with the Northern Virginia WIB, NOVA's CBO partnerships all face significant challenges in qualifying for or working with WIA funding due to WIA's current emphasis:

- Funding tends to favor short-term skills training and immediate employment rather than supporting longer-term career development and transitions toward achieving a postsecondary credential;
- Establishing trainee/student eligibility is a cumbersome and difficult process, leading many community colleges and CBOs to direct their efforts to other than WIA-supported training;
- Community colleges tend to be regarded as simply another training provider rather than a critical hub of the public workforce development system;
- There are few incentives to recognize or reward collaboration, innovation, or leveraging resources between key players within the workforce development system;
- Funding criteria emphasize direct training services rather than critical capacity building that incentivizes effective programs to achieve scale and sustainability.

Recommendations offered for consideration in WIA reauthorization:

1. Strengthen Pathways to Postsecondary Credential Attainment

The nation's economy requires that an unprecedented increase in the percentage of the population who achieve market-valued postsecondary credentials. Achieving this goal will require a multi-faceted effort on the parts of institutions, states and the federal government. This effort will only succeed if we are effective in reaching out to populations that are currently underrepresented in postsecondary education, such as those participants in CBO training programs, and design training pathways at the postsecondary level that lead to high-wage employment. In WIA reauthorization, Congress has a significant opportunity to assist this effort by providing support for increased linkages between community-based organizations that do workforce training and postsecondary education institutions such as community colleges. The CBO-to-postsecondary "pipeline" is vital to achieving the postsecondary credential achievement rates that are required to maintain our nation's economic competitiveness.

To improve the functioning of the CBO-to-postsecondary pipeline, the following features are recommended:

- Add “transition to postsecondary education and training” to the purposes of the act and the definition of adult education, and clarify throughout the act that transition programs can and should be funded with WIA funds.
- Include a measure of the total number of people served by the workforce development system who make the transition to postsecondary education and training in the performance accountability system.
- Require eligible agencies to consider, when deciding on local grants and contracts, whether grantees offer explicit provisions for postsecondary transition.
- Prioritize youth programs that have strong connections to postsecondary education.

2. Encourage Collaboration & Innovative Between Key Workforce Development Stake Holders

Congress should think broadly about the most effective ways to administer WIA funds at the regional and local level, to ensure the proper mix between assisting participant access to training and the development of training capacity:

- Authorize sector initiatives. Sector initiatives bring together training providers, businesses, WIBs, economic development and other key partners to develop training programs and train workers and provide other services to help important local business sectors thrive. These initiatives are a particularly effective way of ensuring that workers are receiving training for available, good jobs. WIA should provide state and local areas with ample latitude to design such initiatives that best suit their needs. Community colleges should be regarded as key partners in any such program that receives WIA support. The Community Based Job Training Grant program provides a model that should be used when designing sector initiatives within the WIA formula programs.
- Establish incentive grants to reward innovative and effective programs. Incentive grants should reward more than just meeting a numerical benchmark. They should spur the innovative, effective and coordinated approaches devised at the state and local levels that other areas should emulate. Effective utilization of community colleges / community-based partnerships should be one of the considerations in deciding grant recipients.
- Help successful programs scale so they can increase their impact and be sustainable.
- Promote and ensure an efficient and effective coordination of investments and services across a wide range of programs, providers, and systems, particularly those such as WIA’s own adult, dislocated, and youth funding, Wagner-Peyser Employment Services, Trade Adjustment Assistance, Pell grants for Unemployment Insurance claimants, and Reemployment Eligibility Assessment.
- Strengthen ties to such programs as Carl Perkins, TANF, ABE, Food Stamps Training programs, and other programs that seek to provide skills development and employment assistance to our nation’s workers. Congress should insist that these programs be administered consistently at the One Stop Employment Centers, rather than the multiple other methods of service delivery. This one action will move the system towards greater integration, on behalf of the job seeker.

3. Provide More Support for the Expansion of Training Capacity

Community colleges place top priority on efforts to help students access postsecondary education and training. However, many community colleges are straining to serve all the students who are enrolling. In economic downturns such as the one we are now experiencing, double-digit percentage increases in enrollment from one year to the next are the norm. According to a recent survey by the American Association of Community Colleges (AACC), community college enrollments have increased by 16.9% in the last two years. These enrollment increases are often not covered by state appropriations, so colleges are forced to raise tuition (if they have that authority), cut expenses to the bone, or turn students away from their programs. Often, it will be a combination of all three. The average community college derives approximately 20% of its revenue through tuition and fees, which gives some idea of the percentage of the college's actual program costs that are covered by individual training accounts.

WIA should provide more direct support for additional training capacity at community colleges. Without a federal priority on developing this capacity, WIA participants will continue to face less effective, more expensive options if they wish to immediately access training. Businesses will struggle to find candidates with the skills that they need for available jobs.

Congress can take some simple, but meaningful, steps in this direction under the current WIA structure:

- Authorize the Community-Based Job Training Grants (CBJTGs), which were created in 2004 in response to this capacity crunch. The CBJTGs are a sector initiative that is funded and is working. The program should be authorized as it was originally envisioned, namely a national competitive grant program that awards grants to community colleges, working in partnership with local WIBs, businesses and other key stakeholders to expand training capacity at the college and train workers for high-demand occupations. Unfortunately, the Administration has proposed the elimination of this program in its FY2011 budget. The support this program offers is crucial, and it would be a mistake to eliminate it. As I mentioned earlier, it should also be a model for incorporating sector strategies into the WIA formula programs.
- Give local workforce boards greater flexibility to utilize training contracts, especially with low-tuition training providers such as community colleges. This approach was taken in the American Recovery and Reinvestment Act because Congress recognized it as a way to expeditiously and effectively train workers and stimulate the economy. It should be made a permanent part of WIA.

Conclusion

America's community-based non-profit organizations have several distinctive strengths often not found in American higher education. CBO's are particularly successful in reaching low-income populations who are not in school. Many of these participants need entry-level job skills, additional support services in order to complete job training programs, and quick job placement results that are often not available from colleges. America's 1,400 non-profit CBO workforce development providers serve several million adults annually. Their entry-level job training programs represent a great beginning, but typically they are not sufficient to move low-skill workers into sustainable careers with livable wages and benefits. For that to happen, some form of postsecondary credential is needed. America's 1,177 community colleges can do the job of linking CBO job training with college opportunity. College credentials are America's

surest ticket to long-term success. Americans with associate degrees earn 29% more than high school graduates, and are 30% less likely to be unemployed.

CBO's and community colleges offer complementary assets. Community colleges and community-based organizations already have mission alignment to train moderate-income young adults and low-wage workers. CBO's excel at job skills training, job placement, and specialized support services for immediate job and wage-gain results. Community colleges provide low-cost college education opportunities, access to Federal financial aid (Pell grants) and college credentials for long-term career advancement.

Together, the nation's community colleges and community-based organizations can form key components of a comprehensive workforce development system operating to the benefit of workers, the unemployed and America's businesses, IF they join their extraordinary job training and educational outcomes together. What is needed is a workforce system that incentivizes them to work as one.

Thank you, Mr. Chairman and members of the Committee for this opportunity to speak with you today.

NOTE: Portions of this testimony are excerpts or adaptations of the American Association of Community College's white paper entitled, "AACC WIA Reauthorization Priorities". However, this testimony does not necessarily reflect the entire or official position of AACC.