



March 4, 2013

Dear Representative:

The House Education and the Workforce Committee is scheduled to mark up legislation to reauthorize the Workforce Investment Act (WIA) on March 6. The American Federation of State, County and Municipal Employees (AFSCME) opposes the "Supporting Knowledge and Investing in Lifelong Skills Act" (H.R. 803), sponsored by Representative Virginia Foxx and urges you instead to support H.R. 798, introduced by Representative John Tierney.

H.R. 803 is essentially the same as H.R. 4297, which was approved by the Committee last year, but not considered on the House floor. We continue to believe that the overall approach of the legislation will cause irreparable harm to a system already degraded by years of diminishing resources.

AFSCME is especially concerned about the provisions that consolidate WIA and Wagner-Peyser programs and give governors authority, without state legislative review, to consolidate the funding and administration of many more, including veterans employment services, Trade Adjustment Assistance, Unemployment Compensation, and Temporary Assistance for Needy Families programs.

Under the proposed consolidation, states would have wide discretion to decide who would receive services and what kind of services they would receive. While these decisions may be made on the basis of legitimate workforce needs, it is just as likely that they will be determined by ideological and political considerations. Without the existing program structures, workforce services will vary widely from state to state and within states, depending on who holds political power. The consolidated funding structure will make the existing services more vulnerable to federal funding cuts and pit various groups of workers against each other for a shrinking amount of resources. Furthermore, without a clear structure, accountability for federal funds will be weakened.

The elimination of the Wagner-Peyser program is particularly troubling in light of its critical importance to the Unemployment Insurance (UI) program. The Wagner-Peyser staff conducts the UI "work test," an eligibility requirement that requires UI claimants to be actively seeking work in order to receive UI benefits. Just last year, the Middle Class Tax Relief and Job Creation Act of 2012 strengthened the UI work test and provided additional funds for the states to conduct ongoing UI eligibility assessments and reemployment services for UI claimants.

Although H.R. 803 assigns responsibility for the work test and reemployment services for UI claimants to local workforce boards, it disregards their autonomous nature, decentralized structure, and fragmented operations among public, non-profit and private

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contractors. The resulting loss of state control and accountability will mean that UI claimants are likely to remain unemployed longer and draw state and federal unemployment benefits longer, thereby putting more pressure on state UI trust funds.

In addition, the statewide and public structure of the Employment Service (ES) of Wagner-Peyser complements the much more localized and privatized WIA structure. State control of UI and ES operations can enable the governors to assert important influence over economic policies and events in their states. As a statewide system, the Employment Service can work on a local, regional, statewide or interstate basis and quickly deploy resources from one part of a state to another to respond to emergencies, such as the dislocations which occurred in northern Virginia from the 9/11 attacks and in the Gulf states from Hurricane Katrina. The state job banks serve all local areas and prevent unnecessary and costly duplication arising from multiple local job banks. Accountability is facilitated because the staff is in one agency and part of a single personnel system based on a uniform standard of competence and skill requirements and required to provide impartial service to everyone on an equal basis.

H.R. 803 also fails to address how several functions that are not related strictly to workforce services would be accomplished. For example, the state employment offices conduct foreign labor certifications, a function that is likely to become even more important if changes in our immigration policy are adopted. Without the state employment service offices, it is unclear whether or how these certifications would be conducted. It also is unclear how the federal contractor job-listing requirement would be carried out.

In contrast, H.R. 798 improves the existing workforce system by encouraging greater alignment of program operations but also maintains the current programs and funding streams. It creates a new pilot program to strengthen state employment service operations and upgrade the skills of state staff. It also establishes separate funding for local one-stop operations, requires the establishment of career pathways strategies and initiatives, eliminates the current sequence of services policy, and designates a specific portion of WIA funding for training.

Significantly, H.R. 798 acknowledges the importance of diversity on local workforce boards and, in particular, the contributions that local unions make in local workforce systems. It encourages the participation of local unions and joint-labor management partnerships, such as the well-respected Training & Upgrading Fund operated by AFSCME's Philadelphia affiliate, 1199C. And although AFSCME has and continues to believe that a tripartite board structure is the best way to promote the full participation of all stakeholders in the workforce system, H.R. 798 does improve the representation of labor on the state and local workforce boards. In doing so, it stands in stark contrast to the gratuitous elimination of organized labor on the boards and elsewhere in the workforce system.

In conclusion, a strong workforce system, along with federal investments in infrastructure projects, public services, and research and development, is needed to spur economic growth. The two bills under consideration present a stark choice. Our current

workforce programs will deteriorate further if H.R. 803 is enacted into law. H.R. 798 will strengthen it; it is by far the better choice.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles M. Loveless". The signature is fluid and cursive, with a large initial "C" and "L".

Charles M. Loveless  
Director of Federal Government Affairs

CML:nm:md