



THE UNITED STATES CONFERENCE OF MAYORS

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May 7, 2009

Representative David R. Obey
Chairman
Subcommittee on Labor, Health and
Human Services, Education and
Related Agencies
Appropriations Committee
United States House of Representatives
Washington, DC 20515

Representative Jerry Lewis
Ranking Member
Subcommittee on Labor, Health and
Human Services, Education and
Related Agencies
Appropriations Committee
United States House of Representatives
Washington, DC 20515

Dear Representatives Obey and Lewis:

On behalf of The U.S. Conference of Mayors, we urge you to continue your support of the local workforce system by fully funding Workforce Investment Act (WIA) programs as you begin to work on the FY 2010 Labor, Health and Human Services and Education Appropriations bill. We greatly appreciate your investment in workforce development programs under the American Reinvestment and Recovery Act (ARRA), and your hard work and dedication to the economic development of our cities. As you know, WIA funds are critical to fueling the economic development of our nation's cities; enabling local workforce areas to provide job training to workers while they are laid off, as well as continue to meet the demand of local businesses for a skilled workforce while the struggling economy recovers.

We believe it is essential that Congress fund workforce development programs at \$8.35 billion (see chart), which is consistent with maintaining current funding levels for WIA programs at 2000 levels (adjusted for inflation), sustaining the levels included in the ARRA, and ensuring a continued strong Summer Youth program to address the crisis in youth employment. Since 2000, when WIA repealed the Job Training Partnership Act (JTPA), Congressional investment in this critical legislation has seen systematic decline. The current investment in the three main funding streams of WIA is \$3.25 billion. If 2000 funding levels (adjusted for inflation) had been maintained, that figure would be \$4.37 billion; so the system has experienced a 26% decrease in funding. With the challenge before us, underinvestment in our workforce development system is risky, and will result in it not having the resources to fully and effectively respond to this crisis. In good and bad economic times, this decrease in funding to programming has significant impacts on the competitiveness of America's economy.

As of March 2009, the national unemployment rate was 8.5 percent — the highest it has been in a quarter century. The percentage of unemployed workers in many of our cities has more than doubled **in less than a year**, and has, in fact, tripled in some cities. These figures, which represent 13.2 million unemployed Americans, clearly indicate an economy in crisis, with disappearing job opportunities amid continued downturns in the housing, credit and financial sectors. Skill development and training promote the potential for job creation and/or retention in cities and, as such, spur the nation's economic recovery. We should not delay making a targeted investment in services through WIA that would ensure that cities are equipped with the resources that they need to tackle this growing challenge.

As previous Administrations have understood, investments must match the need and scope of the challenge. In 1977, President Jimmy Carter invested in a \$20 billion emergency economic stimulus package, allocating an additional \$8 billion for public service employment and other programs under the Comprehensive Employment and Training Act (CETA), a predecessor to JTPA and WIA. As compared to the recent ARRA funding, which allocated a significantly smaller proportion to these services -nearly \$4 billion for job training through formula grants for adult, dislocated worker, and youth services in a \$787 billion bill -- we owe it to Americans to do better.

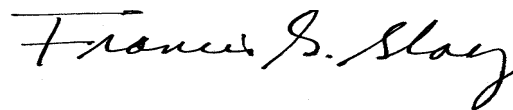
We recognize that funding for next year's budget is particularly challenging as you seek to stretch limited federal resources across a broad range of national needs to address our current economic state. However, the growing needs of employers as well as the American worker -- who have either lost their jobs and/or require a skills upgrade to meet the increasing demands of the economy -- cannot be ignored. In addition, the bleak job market facing the nation's young people requires continued investment. Despite the inclusion of \$1.2 billion in grants to states for youth for both year-round and summer youth activities in ARRA, teens face the bleakest summer jobs market in 2009 since the government began collecting data. This country can ill afford to continue the downward spiral of investment in our future workforce -- particularly minority and at-risk populations.

We thank you for continuing to recognize the vital importance of job training and applaud your commitment of nearly \$4 billion to the workforce system as part of the economic recovery efforts. However, as the unemployment rate continues to rise, demand for WIA services will continue to increase. We cannot begin to address our current economic crisis without continued support of our national workforce system. As such, we strongly encourage investment in WIA, at minimum, consistent with levels from the year 2000, and we stand ready to work with you to support full funding for workforce training programs in the final FY10 Labor, Health and Human Services Appropriations bill.

Sincerely,



Kathryn L. Taylor
Mayor of Tulsa
Vice Chair for Workforce
Jobs, Education and the Workforce
Standing Committee



Francis G. Slay
Mayor of St. Louis
Chair, Jobs, Education and the Workforce
Standing Committee