



## Senate HELP Committee Feedback on Workforce Innovation and Opportunity Act Discussion Draft

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### **Feedback #1: pages 370-371, section 191(5)(A)**

*Feedback:* NRCA strongly recommends striking this section of the discussion draft because it is overly broad and indiscriminating, conflating minor offenses and paperwork violations with serious violations of federal employment law. It could unfairly bar an employer from partnering with the public workforce system – advising on industry trends and in-demand skills, collaborating with training providers, hosting apprentices or providing training themselves – on the basis of a single trivial charge. Additionally, it makes no provision for charges that could still be appealed and would punish business owners who may be found on appeal not to have not violated the law. It would trample on employers’ due process rights, undermine employers’ ability to partner in providing workforce training and set an unfair policy precedent that could be extended in future years to other areas of the law.

*Context:* There can be no workforce training without employers who are needed to give advice about industry trends, partner with educators delivering instruction, provide training themselves and eventually hire trained workers. The public workforce system is and must be demand-driven; it depends on the active participation of employers in significant numbers and across a wide range of industries.

The proposed provision would bar an untold number of employers from partnering with the system. Some may stand accused of minor violations they are working to appeal. Others may have a single violation on an otherwise exemplary record. Consider the case of a contractor with an outstanding safety program that receives an OSHA citation because a single, aberrant employee violates company policy and fails to follow safety training. Still other employers with no violations will be discouraged from partnering with a public workforce system they perceive to be hostile to businesses.

If this provision is retained, those who will suffer the most will be employees and job seekers with barriers to employment who desperately need the demand-driven training the public workforce system should be in a position to provide, which can only succeed with the broad participation of employers.

**Feedback #2: pages 217-218, section 143(c)(9)**

*Feedback:* NRCA strongly recommends striking this section.

See feedback and context in the Feedback Comment #1 above on section 191(5)(A) which is fully applicable to this section of the discussion draft as well.

**Feedback #3: pages 159-234, chapter 3**

*Feedback:* NRCA recommends that the committee consider adding a provision mandating that 50 percent of the funds allocated to any local workforce area be spent specifically on skills development rather than administration and other costs.

*Context:* NRCA member employers struggle to hire appropriately skilled workers, and many business owners are uncertain where to turn when technology requires them to upskill their existing workforce. Although there are no reliable recent data, most independent researchers' estimates, including an authoritative early study by Mathematica Policy Research, suggest that most local areas spend no more than 20 to 25 percent of their budgets on training. Instead, more than three quarters of workforce system formula funding is spent on staff, overhead and cash payments for items such as transportation, tools and uniforms for job seekers who manage to secure work. We believe this current situation does a deep disservice to job seekers and employers who look to the workforce system for help, and we would like to see taxpayer dollars used more effectively to meet the nation's urgent and growing training needs.

**Feedback #4: pages 99-137, section 122**

*Feedback:* NRCA supports the discussion draft's innovative approach to the eligible training provider list.

*Context:* NRCA members that have tried to use the workforce system have often been disappointed by the quality of the training provided to participants with individual training accounts. We support the approach that makes it easier for aspiring training providers to be included in the list while at the same time identifying and rewarding providers that achieve superior outcomes. We agree that credentials earned, job placement and wages are the appropriate metrics for training providers. We believe this provision will lead to improved competition among providers and better outcomes for job seekers.

**Feedback #5: pages 373-403, section 194**

*Feedback:* NRCA supports the discussion draft's proposed state flexibility pilot program.

*Context:* NRCA member employers that operate nationally and regionally complain that the current workforce system is uneven, both within states and across states. The quality of services often varies from town to town and on different sides of a state border. Some states have too many local areas, which increases bureaucracy and raises costs. It can be hard for job seekers and

workers to determine which services are provided by which agency or where to go for help. And it's often difficult for policymakers, including governors and state legislators, to innovate across too many varying districts and conflicting or overlapping agencies.

NRCA believes the remedy proposed by the discussion draft has much potential for improvement: consolidated funding, pilot projects and new grant opportunities. We are encouraged by the draft's careful approach, including the requirement that states seek approval for pilot projects and rely on evidence-based evaluation – metrics, data, comparisons and regular reports – to assess if the delivery of services has improved. Results will undoubtedly be uneven and there will be substantial trial and error. But over time, we believe, this approach can lead to better outcomes for job seekers, employers and taxpayers.

**Feedback #6: pages 138-9, section 132**

*Feedback:* NRCA strongly supports the provision augmenting the governor's reserve fund and encouraging states to spend this additional money on employer-based training.

*Context:* As workforce educators, employers and job seekers increasingly recognize, the more involved employers are in job training programs, the better the outcomes are likely to be. Employers provide information about industry trends and in-demand skills, they help educators craft curricula, they often provide training themselves, they hire interns and apprentices who learn on the job and they provide permanent employment for trained workers.

NRCA member employers are eager to do their part supporting the workforce system and partnering with training providers. Providing additional funding for governors who seek to encourage the participation of business and industry will improve outcomes for job seekers and enhance state competitiveness.

**Feedback #7: pages 427-434, sections 301 and 302 (also labeled 505 and 506)**

*Feedback:* NRCA supports the provision stipulating improved state data collection and freer data exchanges among states.

*Context:* There can be no assessing the performance of the public workforce system without adequate data on job placement and wages. Among other uses, reliable data will be essential for this discussion draft's proposed new approach to the eligible training provider list. The problem: as is, state workforce data systems are highly uneven, and many states are reluctant to share the employment data they collect.

NRCA applauds the draft's careful approach to this matter: thorough study and a consultative process that includes the Department of Labor, the Department of Education, an interagency group and the nation's governors. Over time, we believe this strategy will drive better policy and enhanced outcomes for both employers and job seekers.

**Feedback #8: page 122, section 122(j)(2) and pages 218-220, section 143(d)**

*Feedback:* NRCA recommends that the committee consider mandating a metric for assessing how well local areas serve employers.

*Context:* As the old adage has it, “what gets measured gets improved,” and employers have long questioned the Workforce Innovation and Opportunity Act’s approach to measuring the workforce system’s effectiveness in serving the needs of employers and employees.

The discussion draft appears to leave this matter in the hands of governors. That may be an effective approach; whenever possible, we support federal policy that allows states to find their own ways to meet agreed-upon federal ends. But we also like the national metric proposed in A Stronger Workforce for American Act (H.R. 6655), as approved by the House of Representatives earlier this year: holding local areas accountable for the percentage of workforce system participants enrolled in employer-driven upskilling programs, including on-the-job training and apprenticeship. We hope the Senate HELP Committee members will consider stipulating a more effective federal yardstick for assessing how well the workforce system is serving businesses and industry.