

MEMORANDUM**TO: ASAHP Members****FROM: Kristen Truong****DATE: April 4, 2019****RE: House Appropriations Committee, Labor, Health and Human Services, Education and Related Agencies Hearing on “Department of Labor Budget Request for FY 2020”**

April 3, 2019, 2:00 PM, 2358-C Rayburn

[\[HEARING LINK\]](#)**Overview:**

The House Appropriations Committee, Labor, Health and Human Services, Education and Related Agencies Hearing on “Department of Labor Budget Request for FY 2020” in which Labor Secretary Acosta testified on behalf of the Department’s budget request.

Both Republicans and Democrats supported the expansion of registered apprenticeships; Republicans additionally supported the Administration’s industry recognized apprenticeship program (IRAP) that would include intermediaries to help industries expand and scale their apprenticeship programs.

Democrats repeatedly asked Secretary Acosta how he could cut funding for workforce development and Job Corps when he says both are priorities for the Department. Sec. Acosta discussed how tough decisions had to be made, but that Governors are coming up with innovative ideas to make Job Corps centers more effective through partnerships with community colleges or the National Guard.

Opening Statement Summaries:**Subcommittee Chairwoman Rosa DeLauro (D-CT) [Full Statement]**

Past administrations filled nearly 80 percent of senior positions, but the Trump administration: 54 percent. The Department of Labor has filled only 43 percent. The president’s budget proposes to cut 10% amounting to \$1.2 billion.

The president’s fiscal year 2020 budget proposes to cut \$703 million from Job Corps that would shutter centers across the country and \$15 million from Reentry Employment Opportunities that provide employment and training services to youth and adults with criminal records. It proposes to eliminate all \$400 million of the Senior Community Service Employment Program, which hurt our seniors. DOL’s mission is to, quote, “foster, promote, and develop the welfare of wage earners, job seekers, and retirees of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights.”

What you are proposing for registered apprenticeships is not in league with what is happening in Europe, where as many as half of students go through strong, accountable apprenticeship programs. It is not in line with that in size or scope or accountability.

These industry recognized apprenticeship programs (IRAP) have little to no accountability, much like with predatory for-profit colleges. The administration is undermining the Women in Apprenticeship program and the Workforce Data Quality Initiative, which is supporting, quote, “evaluation and research on the effectiveness of workforce and education programs.” Instead, the administration is pushing unregulated and unaccountable programs and policies.

We will continue to oppose the cuts you have made, which would hurt the young and the old. We will continue to oppose the rollbacks you are pushing, which would take the cop off the beat and abandon working people to bad-acting corporations. And, we will continue to oppose your attacks on this storied agency.

Subcommittee Ranking Member Tom Cole (R-PA) [Video of Statement]

I know your agency, like many others, is proposing a sizable cut for next year. We understand why – you’re living under the Budget Control Act. Hopefully we’ll have an agreement in time. I was pleased to see level funding for apprenticeship program and increases proposed for Veterans Employment and Training services.

You're also continuing to pilot Veterans Apprenticeship Program. I was disappointed the budget proposes to eliminate the Indian and Native American Training Program within the ETA. The unemployment rate and lack of job opportunities in Indian country is extraordinarily high. It doesn't make sense to eliminate the small funding stream. Maybe we can revisit. Finally, I'll have questions on your proposals to change the Job Corps program. While I support making the program operate more effectively, you proposed some aggressive steps. I want to proceed cautiously to ensure the program continues to be successful with such big changes.

Witness Testimony

The Honorable Alexander Acosta, Secretary, U.S. Department of Labor [[Full Testimony](#)]

Q&A

Subcommittee Chairwoman Rosa DeLauro (D-CT): Congress provided \$145 million for registered apprenticeships. You testified that this money would support and expand registered apprenticeships. Did you use \$20 million to award a co-operative agreement to support both registered and non-registered apprenticeships?

Sec. Acosta: Registered apprenticeship dollars are not going to IRAPs.

Subcommittee Chairwoman Rosa DeLauro (D-CT): In a notice, you stated that the Employment and Training Administration awards a co-operative agreement to the American Association of Community Colleges to create the AACC Virtual Apprenticeship Network to provide resources to provide resources to America's community colleges and employers to create and conduct more high quality, affordable, inclusive, flexible – an industry relevant registered or industry recognized apprenticeship programs and services to industries and companies across the nation. That is unregistered and is in violation in what the money should be used for. You said with Sen. Patty Murray (D-WA) that's not where the money is going.

Rep. Jaime Herrera Beutler (R-WA): SW Washington – we're growing in terms of technology growth. The rest of the country saw a similar boom for tech jobs. I'm co-leading the [CHANCE in Tech Act](#) which proposes DOL enter in contract with intermediaries, like the Washington Technology Association to help expand access to tech apprenticeships and training. Could you elaborate on what DOL is doing to expand tech training and apprenticeships?

Sec. Acosta: That's why industry recognized apprenticeships are so important. It's important for businesses to come together through third party intermediaries and associations to offer apprenticeships to scale. It's expensive to put together the curriculum and offer these. These associations work in conjunction with community colleges and other groups.

Rep. Jaime Herrera Beutler (R-WA): They're able to tailor to regions, rather than a national stamp.

Rep. Cheri Bustos (D-IL): You flatline funding for Workforce Development Programs. Where does Workforce Development fit into your priorities?

Sec. Acosta: Skill and workforce development is an incredibly high priority in government and privately funded programs. In apprenticeship area, with testimony by the Building Trades Unions, in the past they spent \$1 billion private sector money as part of the registered apprenticeship program. Whether its apprenticeships we're advocating very heavily – funded in part by \$160 million this committee provides. Of private sector money, building trades negotiated with management through their contracts. Whether through support of community college and vocational programs, such as the reauthorizations we saw recently that highlighted the importance of vo-tech. Workforce education is critical because we have 1 million more open jobs that individuals looking for jobs.

Rep. Bonnie Watson Coleman (D-NJ): Grandparents have become breadwinners of families as their children are addicted to opioids and their kids also have kids. I'm concerned about your proposal to eliminate Senior Community Service Employment Program at a time when grandparents are re-entering the workforce.

Sec. Acosta: We would set aside a certain amount in WIA to address particular needs, such as the program for Native Americans.

Rep. Bonnie Watson Coleman (D-NJ): What does your budget propose for WIA? Increase or decrease?

Sec. Acosta: WIOA funds are formula funds determined outside the budget.

Rep. Bonnie Watson Coleman (D-NJ): You're going to try and take care of this with level funding. That needs to be looked at.

Rep. Barbara Lee (D-CA): Your budget slashes Job Corps by 41%; Reintegration of Ex-Offenders 16%; and YouthBuild 6%. How does this reflect your priorities?

Sec. Acosta: Re-entry is incredibly powerful and allowing the individual who's leaving prison the ability to work is transformative and keeps the community safe.

Subcommittee Ranking Member Tom Cole (R-PA): I'm concerned about the Job Corps cuts. What would be the criteria to use to make a decision of this magnitude? You'd have to close down centers.

Sec. Acosta: If we were to close down centers, we'd look at metrics and try to do in a reasonably mutual way to see which centers are performing less than others. We've tried to think outside the box. I've briefed both parties, and there's a caucus organized around this. We've worked with Governors that have ideas to make these more effective. In one state, the Governor is interested in partnering the Job Corps with community colleges. Another state, partnership Job Corps with National Guard. To Congresswoman Lee's point, a Governor said wouldn't it be great to set up a Job Corp to focus on individuals who are re-entering society?

Subcommittee Ranking Member Tom Cole (R-PA): I would encourage you to continue along those lines. There are reforms to be made.

Rep. Lucille Roybal-Allard (D-CA): Job Corps Centers – WIA requires centers are chosen based on past achievement and outcomes. This aligns with your own priorities for Job Corps in the form of increased performance standards. I've heard from operators is that contract award decisions are no longer tied to performance and student outcomes. The vast majority of the contracts are given to new operators regardless of the successful performance of the current contract holder. Are you purposely moving away from focusing on student outcomes when selecting Job Corps Centers?

Sec. Acosta: We're focusing much more on student outcomes in judging Job Corp performance and centers.

Rep. Lucille Roybal-Allard (D-CA): LA Job Corps has an outstanding record and something the community loves because of the outcomes. You chose a company that runs a private prison in addition to a Job Corps Center that has no connection to LA. It's hard to believe that standards and performance is a priority.

Sec. Acosta: I was told the selection happened before I was confirmed as Labor Secretary, but it's not my view. More broadly, an issue in Job Corps Center is safety. Where there is a safety issue, it has to be up there right next to outcomes.

Closing Statements

Subcommittee Ranking Member Tom Cole (R-PA)

We've put some incredibly important responsibilities in your hand with a wide range of authority. I'm satisfied with how you've handled it. I think you have a great staff. I feel like you and the President have put the appropriate emphasis on apprenticeships programs to get the kind of workforce that's employable. Folks can go on and have successful lives and careers. You must be doing something right when we have an unemployment rate that's the lowest in nearly half a century, including historically disadvantaged groups in terms of employment and wage growth. It's our job to be rigorous in our oversight and ask tough questions. I think we do that well and on a bipartisan basis. Looking at American workers in terms of their employment rates and compensation, let's close a stubborn skills gap for the benefit of the country and workers. We need to use people in ways that are fulfilling to them.

Subcommittee Chairwoman Rosa DeLauro (D-CT)

We spoke about Job Corps and safety. While the safety of students should always be the most important concern for these centers, a \$700 million cut to the program does not ensure their safety. The mission of DOL is to "foster, promote, and develop the welfare of wage earners, job seekers, and retirees of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights". From most of the questions today, there is deep concern about the proposed cuts and eliminations. You talk about work development and employment and training – that's been cut \$1.2 billion. Your mission is the heart and soul of this country in terms of fostering work and giving people the opportunity for job training and to have a life with economic security. 70% of people in this country do not have a 4-year degree, and frankly, they may not need one. We do have the obligation to look at employment and training and look at the best way to provide them with the best way to provide them with credentials for their success. That is through a very substantially good run program of registered apprenticeships. It's working.