H.R. 444, BACK TO WORK INCENTIVE ACT OF 2003

HEARING

BEFORE THE

COMMITTEE ON EDUCATION AND THE WORKFORCE

HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS

FIRST SESSION

HEARING HELD IN LAS VEGAS, NEVADA, FEBRUARY 18, 2003

Serial No. 108-3

Printed for the use of the Committee on Education and the Workforce

86-211 pdf

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
FAX: (202) 512-2250 Mail: Stop SSOP, Washington, DC 20402-0001

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

COMMITTEE ON EDUCATION AND THE WORKFORCE

JOHN A. BOEHNER, Ohio, *Chairman*

THOMAS E. PETRI, Wisconsin
CASS BALLENGER, North Carolina
PETER HOEKSTRA, Michigan
HOWARD P. "BUCK" McKEON, California
MICHAEL N. CASTLE, Delaware
SAM JOHNSON, Texas
JAMES C. GREENWOOD, Pennsylvania
CHARLIE NORWOOD, Georgia
FRED UPTON, Michigan
VERNON J. EHLERS, Michigan
JIM DeMINT, South Carolina
JOHNNY ISAKSON, Georgia
JUDY BIGGERT, Illinois
TODD RUSSELL PLATTS, Pennsylvania
PATRICK J. TIBERI, Ohio
RIC KELLER, Florida
TOM OSBORNE, Nebraska
JOE WILSON, South Carolina
TOM COLE, Oklahoma
JON C. PORTER, Nevada
JOHN KLINE, Minnesota
JOHN R. CARTER, Texas
MARILYN N. MUSGRAVE, Colorado
MARSHA BLACKBURN, Tennessee
PHIL GINGREY, Georgia
MAX BURNS, Georgia

GEORGE MILLER, California
DALE E. KILDEE, Michigan
MAJOR R. OWENS, New York
DONALD M. PAYNE, New Jersey
ROBERT E. ANDREWS, New Jersey
LYNN C. WOOLSEY, California
RUBÉN HINOJOSA, Texas
CAROLYN McCARTHY, New York
JOHN F. TIERNEY, Massachusetts
RON KIND, Wisconsin
DENNIS J. KUCINICH, Ohio
DAVID WU, Oregon
RUSH D. HOLT, New Jersey
SUSAN A. DAVIS, California
BETTY McCOLLUM, Minnesota
DANNY K. DAVIS, Illinois
ED CASE, Hawaii
RAÚL M. GRIJALVA, Arizona
DENISE L. MAJETTE, Georgia
CHRIS VAN HOLLEN, Maryland
TIMOTHY J. RYAN, Ohio

Paula Nowakowski, Chief of Staff
John Lawrence, Minority Staff Director

Table of Contents

OPENING STATEMENT OF CHAIRMAN JOHN BOEHNER, COMMITTEE ON EDUCATION AND THE WORKFORCE..... 2

STATEMENT OF CHAIRMAN BUCK MCKEON, SUBCOMMITTEE ON 21ST CENTURY COMPETITIVENESS, COMMITTEE ON EDUCATION AND THE WORKFORCE..... 3

STATEMENT OF CONGRESSMAN JON PORTER, COMMITTEE ON EDUCATION AND THE WORKFORCE..... 4

STATEMENT OF MYLA FLORENCE, DIRECTOR, NEVADA DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION, CARSON CITY, NV..... 6

STATEMENT OF ROBERT BREWER, CHAIRMAN, SOUTHERN NEVADA WORKFORCE INVESTMENT BOARD, LAS VEGAS, NV 9

STATEMENT OF DEBI LINDEMENN, EMPLOYMENT SPECIALIST SUPERVISOR, NORTH LAS VEGAS JOBCONNECT, DEPARTMENT O F EMPLOYMENT, TRAINING AND REHABILITATION, LAS VEGAS, NV..... 12

STATEMENT OF ARDELL GALBRETH, DEPUTY BOARD MANAGER AND DIRECTOR OF OPERATIONS, SOUTHERN NEVADA WORKFORCE INVESTMENT BOARD, LAS VEGAS, NV 14

APPENDIX A - WRITTEN OPENING STATEMENT OF CHAIRMAN JOHN BOEHNER, COMMITTEE ON EDUCATION AND THE WORKFORCE 27

APPENDIX B - WRITTEN STATEMENT OF CONGRESSMAN JON PORTER, COMMITTEE ON EDUCATION AND THE WORKFORCE 31

APPENDIX C - WRITTEN STATEMENT OF MYLA FLORENCE, DIRECTOR, NEVADA DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION, CARSON CITY, NV 35

APPENDIX D - WRITTEN STATEMENT OF ROBERT BREWER, CHAIRMAN, SOUTHERN NEVADA WORKFORCE INVESTMENT BOARD, LAS VEGAS, NV..... 43

APPENDIX E - WRITTEN STATEMENT OF DEBI LINDEMENN, EMPLOYMENT SPECIALIST SUPERVISOR, NORTH LAS VEGAS JOBCONNECT, DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION, LAS VEGAS, NV 51

APPENDIX F - WRITTEN STATEMENT OF ARDELL GALBRETH, DEPUTY BOARD MANAGER AND DIRECTOR OF OPERATIONS, SOUTHERN NEVADA WORKFORCE INVESTMENT BOARD, LAS VEGAS, NV 55

Table of Indexes..... 61

HEARING ON H.R. 444

"BACK TO WORK INCENTIVE ACT OF 2003"

Tuesday, February 18, 2003

Committee on Education and the Workforce

U. S. House of Representatives

Washington, D.C.

The Committee met, pursuant to call, at 9:30 a.m., in Room 101, the Nevada Job Connect, 2401 Las Verdes Street, Las Vegas, Nevada, Hon. John A. Boehner, Chairman, presiding.

Present: Representatives Boehner, Porter, and McKeon.

Chairman Boehner. Good morning.

The Committee on Education and the Workforce will come to order. We are meeting here today to hear testimony on H.R. 444, the Back To Work Incentive Act of 2003.

I'd like to thank the Community College of Southern Nevada and the Southern Nevada Workforce Investment Board for hosting our hearing this morning. I appreciate their hospitality, and I'm pleased to be here to hear from our witnesses.

But before I begin, I want to ask for unanimous consent for the hearing record to remain open for 14 days to allow Members' statements and other extraneous materials referenced during the hearing today to be submitted for the official hearing record. And without objection, so ordered.

OPENING STATEMENT OF CHAIRMAN JOHN BOEHNER, COMMITTEE ON EDUCATION AND THE WORKFORCE

Let me start this morning by thanking my good friend and our new colleague, Jon Porter, for hosting us here today. I'd also like to welcome all of our witnesses. We are looking forward to hearing your testimony, and I appreciate the opportunity to discuss the Back To Work proposal before our Committee and to hear your thoughts on this important legislation.

During his State of the Union Address, President Bush laid out a comprehensive plan to speed our economic recovery and to promote long-term job growth and investment. His plan also provides specific assistance in the form of personal reemployment accounts to help unemployed Americans who are struggling to get back to work.

At a time when the economy is struggling, but also improving, it's important that we focus on giving the unemployed more flexibility and choices in their employment search. And even though the most recent Labor Department statistics reveal that the unemployment rate nationally is down to 5.7 percent, we still need to examine new ways to help working families across the country during the time when they need it the most.

I'm particularly attuned to the situation here in the State of Nevada. I have heard directly from Congressman Porter about how Nevada is one of the Nation's fastest growing areas, which can leave it particularly vulnerable when the economy turns sluggish. A growing population can also mean more unemployed when the number of available jobs diminishes, as I think we've seen here. So I'm pleased to say that President Bush and our Committee are looking at additional solutions beyond basic unemployment compensation that can help Americans when they need it the most.

On January 29th, Congressman Porter, Congressman McKeon, myself, and others introduced the Back To Work Incentive Act, which reflects the President's plan to create personal reemployment accounts and help unemployed workers return to work quickly.

The Back To Work Incentive Act represents a new and innovative approach to helping the unemployed get back on their feet. And as President Bush has said, one worker out of work is one worker too many, and he believes and we believe, that this plan will help working families in times when they most need it.

Workers can use their Back To Work accounts for a variety of different services to help them find a good job, including job training, child care, transportation, housing, and other expenses to help in finding a new job. Recipients will be able to keep the balance of their $3,000 Back To Work account as a cash reemployment bonus if they become reemployed within 13 weeks, creating, I think, an important new incentive to return to work quickly.

States such as Iowa, Pennsylvania, and Washington have tried these reemployment accounts, and they have shown some very promising success.

One of the exciting aspects of this Back To Work account is that they empower individual recipients to make choices that are appropriate for their own circumstances. Recipients will be able to create reemployment plans that help them navigate the options that are available, such as career counseling or training, maybe even training for a new profession in which they can become employed. By providing choice and flexibility, I think we can get people back into steady, good-paying jobs more quickly.

This new benefit supplements and enhances the services that are already available for those who are most likely to face obstacles in finding and keeping new employment. These new accounts will not only provide the unemployed with another important benefit to help them find a new job, but will be efficiently administered through the easily accessible One-Stop Career Center system, much like the center we will visit after our hearing this morning.

So I look forward to working with President Bush, Subcommittee Chairman McKeon, and Congressman Porter to move this proposal quickly and to make this innovative plan a reality for working families who need the help the most.

WRITTEN OPENING STATEMENT OF CHAIRMAN JOHN BOEHNER, COMMITTEE ON EDUCATION AND THE WORKFORCE – SEE APPENDIX A

Chairman Boehner. I want to thank Mr. Porter for joining us and hosting us this morning. And I also want to thank our Subcommittee Chairman, Buck McKeon. We all sit on the Education and Workforce Committee and I welcome them today.

Let me yield to the Subcommittee Chairman, Mr. McKeon, for an opening statement.

STATEMENT OF CHAIRMAN BUCK MCKEON, SUBCOMMITTEE ON 21ST CENTURY COMPETITIVENESS, COMMITTEE ON EDUCATION AND THE WORKFORCE

Thank you, Mr. Chairman. It's a pleasure to be here with you and Mr. Porter today.

I think it's very fitting that we are sitting here at the Community College of Southern Nevada and right next to a One-Stop Centers because both the community colleges and the One-Stop Centers are going to be so important in administering this program.

I also want to compliment you on choosing Jon Porter to be your Representative. He's an outstanding Member of Congress. In just the short time that he has been in Washington, his

leadership and the ability that he has to move things forward is why he was chosen to carry this bill. And that's a compliment to you, the people of this community. I look forward to working with him and Chairman Boehner.

You know, we try to visit the Districts as much as we can, but we don't really have a lot of field hearings. This is the first one we have held in this Congress. And I want to thank the Chairman for coming, and Congressman Porter for hosting us, and all of you for being here today. Thank you very much.

Chairman Boehner. The Chair recognizes Mr. Porter.

Mr. Porter. Thank you, Mr. Chairman.

The truth is that the Chairman knew that there would 18 inches of snow in Washington today, so he planned this field hearing so we could be here in the Southwest.

Chairman Boehner. I wish I were that smart.

STATEMENT OF CONGRESSMAN JON PORTER, COMMITTEE ON EDUCATION AND THE WORKFORCE

It's an honor for me to be here and to be a new Representative of Nevada. It's quite historical to hold this 3rd District seat. I made it a priority during my campaign and when I was in the Nevada Legislature to try to bring as many folks to Nevada as possible to see and experience our state, to meet our families and look at the challenges that we have here, plus the great things we are proud of.

I was selected to be the primary sponsor of H.R. 444, and I believe that's because Nevada, as the Chairman mentioned, was one of the hardest hit states, especially after September 11th. The tourism industry, not only across Nevada, but also across the country experienced similar challenges. I believe that this bill, with the guidance of our Chairman and the Committee, and the President of the United States is really targeting communities like Las Vegas and states like Nevada, and I'm very proud of that.

I appreciate both of my colleagues being here and I must tell you that they have been here many times before, and have helped me and helped the state. So I applaud the Chairman and Congressman McKeon for sharing again with us.

As was mentioned, we have some serious challenges here in Nevada, but I'll tell you this is a great opportunity to jump-start our community and get folks back to work.

I spoke at our first hearing and our press conference in D.C. about a young lady that lives here. She's a single mother with two kids, and she is currently receiving about $600 a month in unemployment benefits. Imagine the challenge for this young woman in trying to find somebody to watch her kids so she can get out and find a job, or imagine the challenges of transportation for

this young woman. The $600 a month is helping, but barely meets her minimum needs.

This new bill is going to give her the opportunity to find somebody to help watch the kids so she can go out and find a job, and maybe take care of her transportation needs and jump-start her opportunity for training to get back into the workforce. I'm very proud of this and look forward to working with everyone and hearing your testimony this morning.

I enjoy and am honored to be a Member of Congress. It's an exciting experience for me, but also a very humbling realization that we have some serious challenges and some pretty tough decisions to be made.

Last year in Nevada the benefits of 36,000 families ran out, and for another 19,000 plus the extended benefits were gone. That's why it's so important that we pass this bill to help our moms and dads and families get back to work as soon as possible.

Thank you all very much. Again, to my colleagues, I appreciate your being here in Nevada.

WRITTEN STATEMENT OF CONGRESSMAN JON PORTER, COMMITTEE ON EDUCATION AND THE WORKFORCE – SEE APPENDIX B

Chairman Boehner. Thank you, Mr. Porter.

As Mr. McKeon mentioned, we try to get outside of Washington to talk to real people that operate many of the programs that we pass and administer the policies that we oversee.

Mr. McKeon is the author of the Workforce Investment Act with it's One-Stop Career Centers, and we believe that these Back To Work accounts can be another step in helping those who are unemployed to get back on their feet and find long-term sustainable employment.

It's now my pleasure to introduce our witnesses this morning.

Myla Florence is the Director of the Nevada Department of Employment, Training and Rehabilitation, Carson City, NV. Director Florence oversees the State of Nevada's employment service and rehabilitation service systems.

Robert Brewer is Chairman of the Southern Nevada Workforce Investment Board, Las Vegas, NV, which serves a four-county area surrounding Las Vegas. In addition, he's a senior manager of corporate and administrative services for Southwestern Gas. He also serves on the executive committee of the National Association of Workforce Boards.

Debi Lindemenn is an Employment Specialist Supervisor with the Nevada Job Connect One-Stop Center in North Las Vegas. As an employment specialist, she supervises a team that works with individuals seeking new or better employment. And I think she will be able to help

describe for us how these accounts will help those that are, in fact, unemployed.

And we have Ardell Galbreth, Deputy Board Manager and Director of Operations for the Southern Nevada Workforce Investment Board, Las Vegas, NV and he'll provide perspective on the local workforce development system.

We limit witness testimony to five minutes. Since the Staff who runs our hearings are all in Washington, we have a timer here. I think we'll just forgo the timer. But your entire written statement will be made part of the record; so don't feel constrained by the five-minute rule. We're going to be pretty easy today.

Ms. Florence, why don't you begin?

STATEMENT OF MYLA FLORENCE, DIRECTOR, NEVADA DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION, CARSON CITY, NV

Thank you very much. Mr. Chairman and Members of the Committee on Education and the Workforce, for the record, I am Myla Florence, Director of the Nevada Department of Employment, Training and Rehabilitation. Thank you for inviting me to testify today, and it's an honor to be here at Congressman Porter's first field hearing in Nevada.

The Department of Employment, Training and Rehabilitation administers programs authorized under the Workforce Investment Act, as well as unemployment insurance, employment services, vocational rehabilitation, and the Nevada Equal Rights programs.

Our department in conjunction with the Governor's State Workforce Investment Board and the two Local Workforce Investment Boards in Nevada has made a remarkable transformation of the publicly funded workforce system since the passage of WIA in 1998. We truly have a unified system in Nevada known as Nevada Job Connect. We are equal partners in combining the various workforce programs into a seamless system connecting businesses and a trained workforce.

I want to thank the Chairman for scheduling a hearing on President Bush's "Personal Re-employment Account" proposal and Congressman Porter for bringing this hearing to Nevada and introducing H.R. 444, the Back To Work Incentive Act. As Congressman Porter noted, in the state fiscal year 2002, over 36,000 Nevadans exhausted their regular unemployment benefits. And of those claimants, 19,000 went on to receive temporary extended unemployment compensation. For the week ending January 31st, 2003, Nevada reported 31,0092 individuals collecting regular UI benefits and 4,100 receiving extended benefits. For the last two months we have seen Nevada's unemployment rate tick slightly upwards to 5 percent in December of 2002. This is the first time that the unemployment rate has moved upwards since December of 2001, a concerning trend for us.

Currently, Nevada's average benefit amount is $232.29 per week, and the average duration for an individual to receive benefits is about 15 and a half weeks. Through the support and incentives provided in H.R. 444, if we shorten the duration by even one week, the state's trust fund

could save approximately $8.4 million. That is a large number by Nevada standards, not a large number by Chairman McKeon's standards in California, but when you multiply that across the country, you can imagine the savings this incentive may translate into. While the personal reemployment accounts would not be available to all claimants, we believe the heightened interest in such a program would connect more of the unemployed to the Nevada Job Connect system and the resources it can provide.

We appreciate the flexibility provided to states in H.R. 444 and envision working with local boards on state options and program design. We also greatly appreciate the Administration's recognition of the workforce system in general, and Nevada Job Connect in particular, to administer this new program. The investment of the $3.6 billion in additional resources is welcomed and builds on the successes contemplated when the Workforce Investment Act was written. It also builds upon worker profiling systems and reemployment services states currently provide.

In April of 2002, Nevada implemented an Automated Claimant Call In Letter to select claimants based upon job availability and their form occupational codes. The call in letter matching program was later enhanced to include the implementation of an interactive voice response unit, which enables Nevada Job Connect staff to increase follow-up contacts with UI claimants.

The reemployment services goal was to achieve over 1,400 entered employments statewide. However, with the automated enhancements and increased claimant contacts, Nevada substantially exceeded its goal with over 4,200 entered employments. The Committee may want to consider directing a portion of the new funding stream of $3.6 billion to reinvigorate or support existing programs that are targeted to rapid reentry of the unemployed to the workforce or providing governors with the ability to request program waivers where appropriate.

As this legislation wields its way through the congressional process, I assure you that our department and the Nevada Job Connect system stands ready to assist in any way we can.

With regards to WIA reauthorization, as you know, Congress will be considering several reauthorizations in addition to WIA, such as Carl Perkins, Vocational Rehabilitation, and Adult Education. TANF, we've already passed. The timing of these three reauthorizations provides an unprecedented opportunity to align programs and services to further enhance the one-stop workforce system.

The system exhibited its capabilities as Nevada Job Connect quickly responded to the tragic events of September 11, 2001. Nevada Job Connect partners rallied to assist over 5,500 individuals who needed in-person assistance to file for unemployment insurance and other related benefits. We did those at the Culinary Union Hall in Las Vegas and the Community College of Southern Nevada in Henderson. More recently, Nevada Job Connect partners have assisted with mass layoffs at National Airlines, K-Mart, and American Airlines through the WIA funded Rapid Response program to enable those faced with job loss to reattach to the workforce more quickly.

Secretary Elaine Chao's testimony to this Committee on February 12 reinforced the notion that WIA requires some fine-tuning and not a major overhaul. The flexibility provided in H.R. 444 should be considered in WIA reauthorization proposals and deliberations.

Governor Kenny Guinn, a former businessman, believes workforce development is really economic development. When he launched Nevada Job Connect in January 2002, his remarks emphasized the critical importance of focusing on our state's businesses' needs. He simply stated, "If we take care of business, the job, skills development, and strong educational system will follow."

The Workforce Investment Act should have a section devoted to business services. The section should require input from the business customer, authorize the provision of the services that meet businesses' workforce needs and emphasize the linkage between workforce development and the economic development.

Governor Guinn is our state's CEO and CFO. As such, governors need to be designated as the ones in charge of determining how WIA will be implemented in their states. And as you have previously heard, the size of state and local boards are unwieldy. WIA must be amended to grant governors and local areas greater flexibility in determining board memberships that meet their needs, while still requiring a private sector majority. One-Stop partners should serve as resources to the boards and not as required board members.

We must diminish the "silo" aspect of federally funded programs and provide governors and localities greater authority to transfer funds between programs or at a minimum, a set aside from each "silo" for infrastructure support for the One-Stop Centers. All workforce programs should run in consistent program years and the federal agencies must develop common definitions, data elements, and reporting requirements among the programs that provide employment and training services.

Nevada businesses have expressed a strong need for incumbent worker training. WIA resources need to be flexible to meet this need. Nevada's experience with pilot programs has demonstrated that such training enables employers to stay in Nevada and supports employee retention.

Finally, the increased demand for local data under the Workforce Investment Act must be fully funded. Businesses demand user-friendly localized data. It is a valuable economic tool that is positioned to take advantage of existing and emerging technology.

Mr. Chairman and Members of the Committee that concludes my remarks. I'd be happy to answer any questions that you may have.

WRITTEN STATEMENT OF MYLA FLORENCE, DIRECTOR, NEVADA DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION, CARSON CITY, NV – SEE APPENDIX C

Chairman Boehner. We'll hear from all the witnesses, and then we'll get into several rounds of questions.

Mr. Brewer.

STATEMENT OF ROBERT BREWER, CHAIRMAN, SOUTHERN NEVADA WORKFORCE INVESTMENT BOARD, LAS VEGAS, NV

Chairman Boehner, Chairman McKeon, Mr. Porter, and distinguished Members of the Committee, as previously stated my name is Robert Brewer. I'm the Chairman of the Southern Nevada Workforce Board. I also serve on the State Workforce Board, and I am one of the board members of the National Association of Workforce Boards. I am also Chairman of the Board Policy Committee at the national level. When I am not wearing all of my Workforce Board hats, I am the director, not the senior manager, but the Director of Corporate and Administrative Services for Southwest Gas Corporation, which is here in Las Vegas.

I'd like to thank the Members of the Committee for inviting me today to testify before you and about my views on H.R. 444, the Back to Work Incentive Act. While I will focus my remarks on specific legislation, I would be remiss if I did not express my strong support for the locally-based, private sector led workforce investment system established under the Workforce Investment Act of 1998, and particularly, the vital role that local workforce investment boards play in the governance of that system. It is my hope that the reauthorization of WIA and any new workforce initiatives, such as the Personal Reemployment Accounts envisioned in H.R. 444, will build upon the WIA system and continue to provide local boards with a clearly defined role in the design and oversight of such initiatives.

If I may take a moment, I would like to take this opportunity to thank Congressman Porter for introducing this important legislation, and for his support of our efforts here in Nevada in building a highly skilled workforce. This proposed initiative has a great potential for providing our most vulnerable dislocated workers with additional resources that will help them secure new, gainful employment. It is an important effort to assist the over 2 million workers who have lost their jobs over the last two years.

In Nevada, and in Las Vegas in particular, the unemployment rate increased in December to 5 percent. That translates to over 50,000 people out of work; over 40,000 of whom are looking for work in the Las Vegas metropolitan area. While this number is still nearly a full percentage point below the national average, it represents a worrisome increase in the number of unemployed

workers in our state and region.

The good news is that, in spite of the rise in unemployment recently, employment in Nevada has grown in all sectors but mining over the past year. Total employment in Nevada reached over 1 million last year, up 2.4 percent from the previous year. Statewide, key sectors such as construction, manufacturing, trade, government and services have continued to grow. The bottom line is we must focus our energies on connecting unemployed workers with the jobs that are in demand.

H.R. 444 has the goal of helping the most vulnerable of these dislocated workers get back to work by providing them with additional flexibility, choice, and assistance in their search for employment. The eligible recipients who have been profiled typically have higher levels of skills deficits, and they will be able to benefit greatly from the new education and training opportunities that the personal reemployment accounts can provide. Finding replacement employment with wages that can support their families now and provide career paths with upward wage growth for the future will also benefit our communities as well.

In particular, I commend your efforts to make the personal reemployment accounts established under the bill a part of the workforce investment system by requiring that funds be accessed through the One-Stop delivery system. I support the manner in which the funding is distributed for the accounts, with 5 percent of funding provided up-front to the local workforce areas for program startup costs and administration, and the remaining amounts drawn down to the individuals who are eligible in the form of personal reemployment accounts. I also support the appropriate role for states in determining eligibility for the reemployment accounts and in conducting profiling that will further identify workers who are eligible for services. I do have several areas of concern that I think, if addressed, would significantly strengthen this proposal and ensure its successful implementation.

Our WIA system and local workforce boards provide a ready mechanism for providing quality assurance and accountability that cannot be achieved through the states alone. My biggest concern with H.R. 444, as it is now written, is the lack of a clearly defined local role for local workforce investment boards, i.e., in determining how the reemployment accounts will be implemented, in ensuring accountability over the accounts, and in the planning of how these additional resources will augment existing resources in the broader workforce investment system.

Although the proposal requires that personal reemployment accounts be accessed through the One-Stop delivery system established under WIA, local workforce boards do not appear to have any authority over the implementation or oversight of this $3.6 billion in new funding that will be sent through the workforce system. As written, the bill would make local workforce areas financially liable for any mis-expenditures or misuse of funds after the fact, and provides local boards and local elected officials with very little authority up front to ensure that resources are used properly or wisely. I would urge you to provide the same levels of authority, responsibility, and accountability provided to local boards under WIA in this new legislation. There is an accountability infrastructure already established in WIA, why should more money be spent to set up something parallel?

There is another accountability feature that I would strongly urge the Committee to incorporate in H.R. 444. Build on the current local planning process by requiring the workforce boards to describe how personal reemployment accounts would be utilized as part of the broader workforce investment system to meet individual worker and regional economic needs. The local plans would describe safeguards, including how the local boards would identify reputable, high quality service providers, and, ultimately, would ensure the wise use of these funds at the local level. Local workforce boards are already doing this in WIA. This is a public stewardship responsibility that we are prepared to take on.

My third suggestion regarding local boards' roles further strengthens program accountability once the program is initiated. It is aimed at simplifying and speeding up the process and ensures that quality assistance is available to eligible recipients as they exercise their flexibility and choice of return to work assistance. I urge you to utilize the existing WIA infrastructure and processes for accessing similar training and support services under the personal reemployment accounts. Doing so will provide greater assurance that recipients will identify and receive quality assistance, especially if local workforce boards and states are permitted to add to the lists of qualified service and training providers. In any case, local boards must have a role in the identification and approval of such providers to guard against abuses and to ensure quality and accountability within the system, particularly if they are to be held liable for these funds.

I also share your goal that individuals should be given flexibility to use resources under H.R. 444 to meet their individual needs. This is particularly important for workers profiled as eligible for these services because they are the most vulnerable of the unemployed. There is no cookie-cutter solution for their individual needs. For this reason, we believe there is an important role for informed guidance in this process.

We have spent the last five years building our public workforce system, and I believe that local One-Stop systems, in response to the policies set by local workforce investment boards, have developed a systematic approach to guide unemployed individuals through the WIA services presently available. I would urge that you underpin the flexibility given to the individual in the bill by requiring that helpful occupational guidance and assistance be available to each worker to help him/her make choices based on good information and complete understanding of the full range of resources and opportunities that are available to them. As such, I recommend that you modify the proposal to require that each individual accessing a reemployment account develop a personal reemployment plan as a condition of eligibility for that account. Quality occupational information and career counseling should be provided to individuals as they decide how to manage their accounts. This process should not require adherence to a rigid plan of action by the individual, but should provide workers with an understanding of the wide range of occupational and support services available to them. Having workers understand pathways to more upward mobile career paths, including those that may include skills training, will lead them to wise use of their reemployment account resources.

I do have one final suggestion. Under H.R. 444, individuals who choose to receive a personal reemployment account are prohibited from receiving any further services, except for core services, through the WIA system for one full year after receipt of a PRA. While this might be appropriate for those individuals who cash out their account, or possibly even for those who use

their personal reemployment account for the purchase of an automobile, this provision ends up being too restrictive, and potentially punitive, for those who choose to receive services through the reemployment accounts. Again, I remind you that those eligible to receive personal reemployment accounts are the most vulnerable of the dislocated workers, many of whom have been profiled as a result of inadequate education and skills levels. They are likely to need longer-term education and training services in order to be competitive in today's job market. Due to this, I would ask that you allow local boards to determine packaging of personal reemployment accounts, ITAs and other services under WIA for individuals who are in need of such assistance, with the exception of those individuals who do cash out their reemployment accounts.

Chairman Boehner, Chairman McKeon, Mr. Porter and other Members of the Committee, again, I commend you for your leadership in our nation's workforce investment efforts, and on your leadership in the introduction of this important legislation. Here in the Las Vegas area, these H.R. 444 resources, in combination with those provided through the Workforce Investment Act, would provide us with a greatly enhanced ability to help the over 40,000 workers who are searching for employment. Nationally, H.R. 444 has the potential for providing much needed additional resources for the dislocated workers and for our workforce investment system.

The country's workforce investment boards stand ready to take on the responsibility for this initiative as a part of our roles and responsibilities over the workforce investment system. I urge you to provide the local boards with the clear authority to package these resources in ways that will both benefit the workers they are intended to help. In doing so, it will enable our local boards to focus training on the key sectors of our local economy that are in high demand and that provide workers with the best jobs and career growth opportunities.

I thank you for this opportunity to address you today.

WRITTEN STATEMENT OF ROBERT BREWER, CHAIRMAN, SOUTHERN NEVADA WORKFORCE INVESTMENT BOARD, LAS VEGAS, NV – SEE APPENDIX D

Chairman Boehner. Mr. Brewer, thank you.

Ms. Lindemenn.

STATEMENT OF DEBI LINDEMENN, EMPLOYMENT SPECIALIST SUPERVISOR, NORTH LAS VEGAS JOBCONNECT, DEPARTMENT O F EMPLOYMENT, TRAINING AND REHABILITATION, LAS VEGAS, NV

I want to thank the Committee for inviting me to testify today. It's a personal honor to be in Mr. Porter's presence because I live in the Congressman's district. I want to state that I did not have an opportunity to prepare four or five pages. As a supervisor on the front line, I certainly have had

the opportunity to see firsthand the kind of struggles that these families are going through. We have a changing job market in Las Vegas.

My perspective on what is most needed for people to become reemployed involves major childcare issues. In addition, we have transportation issues, where we are cutting back on some of the bus services. This leaves a lot of these folks unable to move around to find better jobs or even the inability to move into an area within the labor market where they would be better able to become reemployed.

As stated before, and I agree, training is also a big issue. We know that an estimated 15,000 people were laid off as a result of September 11th, and although it's stated that visitor figures are up, the actual figures show that the city has not really recovered yet. With the continuing migration to the Las Vegas labor market we also see that the competition for employment remains really high. When people are underemployed, our services are unable to offer a training program that would assist them to obtain a better paying wage.

The people who make up most of our population are in the service industry where their unemployment insurance just covers their food, clothing, and shelter. They don't have the additional money for childcare or for the additional training needs, or transportation should even something as slight as their vehicle breaks down.

Most of these people do not have a lot of reemployment choices. Many have returned to work in the hotel industry but have really become underemployed. So, therefore, this has really limited their finances, leaving them to use most of what they have personally set aside in their savings just so they can maintain a normal lifestyle.

I do want to state that the State of Nevada at the present time does have a whole complement of services through the One-Stop and the WIA partners for the unemployed and that works. From what I can see as a front-line supervisor, this plan sounds wonderful. It's a great opportunity. I'm excited to even be on the front lines, but I certainly see a need for additional staff in order to handle the case management that is going to be needed to individually take care of these people that we are most concerned about. And of course, the implementation of any new program does take time for the program for work.

That's all I have prepared today. So I just want to say thank you so much for the opportunity to be here today and to speak on behalf of the public that needs your care and your interest so much.

WRITTEN STATEMENT OF DEBI LINDEMENN, EMPLOYMENT SPECIALIST SUPERVISOR, NORTH LAS VEGAS JOBCONNECT, DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION, LAS VEGAS, NV – SEE APPENDIX E

Chairman Boehner. Ms. Lindemenn, thank you for your testimony. I'm sure we'll have an ample number of questions later and you can be very helpful to us.

Ms. Lindemenn. Okay.

Chairman Boehner. Mr. Galbreth.

STATEMENT OF ARDELL GALBRETH, DEPUTY BOARD MANAGER AND DIRECTOR OF OPERATIONS, SOUTHERN NEVADA WORKFORCE INVESTMENT BOARD, LAS VEGAS, NV

Thank you, Mr. Chairman. Thank you all so much on behalf of the Southern Nevada Workforce Investment Board. It is indeed an honor for me to have an opportunity to speak before you and, of course, our Congressman Porter. I too live in his district and also we go back a little way when he was serving on the civilian military council out at Nellis Air Force Base.

I would like to give you my point of view regarding the local level, particularly how the services impact youth as well as dislocated workers. There is a workforce crisis looming in our nation's future if we fail to invest in our youth now. Earmarking proper resources for youth employment and training services would realize our investment dividends for decades to come. This is not a guess, but it's supported by credible labor market studies. Since 2000 there has been a 12 percent increase in youth who are both jobless and out of school, which translates into a near 600,000 increase in this particular population. In 2000 there was an average of 4.9 million youth between the age of 16 and 24 who were out of school and out of work. During 2001, the stakes got even higher. It increased to 5.2 million. Now, due to our lazy economy, we anticipate a steady increase in youth jobless rates to exceed 7 million by the end of this year. In plain view, children in poverty neighborhoods and low-income families have it difficult in the extreme.

Gentlemen, we need your help, and we need it now.

As we work to ensure that no child is left behind, we must remember that this challenges us, not only to improve our children's overall education posture, but their lifelong credit to society. One of the primary reasons that many minorities and children from low-income families do not achieve the finer goals and rewarding careers is because of the huge youth employment gap which extends well into adulthood. For example, according to Northeastern University's Center for Labor Market Studies, during 2002, youth joblessness surged to 5.5 million for out-of-school youth

between the ages of 16 and 24.

Now we are all in agreement that education is certainly a high priority for our children, but we need to lean forward just a bit for a clear view that's beyond the days of school and playground tinkering. We need to better prepare our children for success in life. Congress is on the verge of cutting over $300 million in youth employment and training programs funded by the Workforce Investment Act. Such funding cuts as these stab at the core of low income youth and their hope to some day leave the "hood" and enjoy life-quality happiness many of us are currently experiencing.

I ask you, our elected leaders, to take a look at the picture from a perspective that if we don't act now to equip our children with the proper skill set to become productive adults, our current social security retirement system will be crashing down around us soon by the year 2020. I urge you to take a strong stance against youth funding cuts and support youth funding services at respectable levels as to ensure quality delivery of sorely needed youth employment and training services.

Please understand that the time and the need are now. Review the numbers. They speak for themselves. One out of every four African-American youths and one out of every five Latino youths between the ages of 16 and 24 are out of school, unemployed, and on the streets. There is a growing need to raise the visibility of these out-of-school youth. Here in Las Vegas, the fastest growing metropolitan area in the nation for over a decade, because the present Administration has zeroed funding for youth opportunity grants, the youth in this area and throughout the State of Nevada will not be able to tap the benefits these grants offer. I have read and have been told that since few youth vote, they are not considered in the political formula for elected officials. But I refuse to believe that's the case.

I'm confident that through people like me, our youth voices will be heard loud and clear, that what our congressional leaders need to do is to focus more on funding worthwhile programs like job corps centers and youth employment opportunity grants that offer our youth a chance in life and not become our society's menace.

To help ensure and secure our nation's most treasured resource, today's youth, I recommend that Congress focus its attention on the following three items:

One, significantly investing in our youth employment resources by increasing formula grants to help make a realistic difference in the quality of life for young people.

- new youth competitive challenge grants are good, but they should not be at the expense of states' formula grants to serve those most in need.

- funding appropriation for youth opportunity grants for states like Nevada that were not in on the ground level for these funds when they were initially awarded. It is essential that you continue these youth opportunity grants for states like Nevada.

Two, introduce and work hard to pass legislation to make youth councils mandatory with authority to act with its funding stream.

Three, the current 30 percent youth funds expenditure requirement for out-of-school youth is a good thing as it helped address youth left behind in the labor market, but attention must also be paid to ensuring adequate funding is available for in-school youth to help prevent them from becoming out-of-school youth. Please retain it.

Strong funding deposits with implementation of these recommendations would secure a solid investment for our nation's future, youth who are the leading edge of productivity and our most valued workforce.

Now, with regards to dislocated workers, of which many have been unemployed for over a year, the view looks just as grim. House Resolution 444, introduced by our own Congressman Jon Porter, is a step in the right direction without question to get people quickly back to work, but the maximum benefit of $3,000 may not go very far for those living in some of our depressed areas. In addition to establishing personal reemployment accounts, Congress needs to focus its attention on increasing the funding for adults and dislocated programs under the Workforce Investment Act.

Regardless of the amount of supportive services reemployment accounts may offer, if jobs are not available, people will not be reemployed quickly. Congress is preparing to cut significant funds out of the Workforce Investment Act and adult and dislocated worker programs. Right now, with our sluggish economy, WIA programs are our only hope to offer people opportunity to acquire new skills by retraining into demand occupations. With adequate WIA funding levels, along with the new personal reemployment accounts, job seekers will be able to effectively tailor their reemployment plans to local area industry demands and match their skills with employers' needs for prompt reemployment.

For example, let's take here in Las Vegas, which was the corporate headquarters for the now defunct National Airlines. Through Nevada’s JobConnect Connect system, using our National Emergency Grant for dislocated workers, we were able to offer training services to hundreds of laid off workers to allow them to get the proper training and get back to work. In many cases, airline pilots only needed a new type rating certification to allow them to sign on with another airline company or a corporate aviation agency. In some cases, pilots even increased their annual salary with this new training.

The bottom line, gentlemen, of my testimony is that if our intent is to return people to work quickly, we need to earmark workforce funding levels to allow for adequate training to upgrade the skills of these job seekers to match their employment demands. Our National Airlines project is a fine example of how adequate training can get people back to work quickly.

I recommend that Congress view H.R. 444 as a supplement to the Workforce Investment Act and not a one-time reemployment stopgap. It is important that Congress in both Houses work to keep WIA as our nation's primary vehicle to deliver effective employment and training services to both job seekers and employers by appropriating adequate funding to do the job right.

Gentlemen, once again, thank you so much for allowing me the opportunity to address these issues that are facing our particular nation.

WRITTEN STATEMENT OF ARDELL GALBRETH, DEPUTY BOARD MANAGER AND DIRECTOR OF OPERATIONS, SOUTHERN NEVADA WORKFORCE INVESTMENT BOARD, LAS VEGAS, NV – SEE APPENDIX F

Chairman Boehner. Mr. Galbreth, thank you for your testimony. I'm sure you've heard the old adage that the President proposes and the Congress disposes. The suggestion you make about the youth employment opportunity grants and the funding streams as well as the WIA funds, in my view, are not under any serious threat in reduction. So I wouldn't spend a whole lot of time worrying about it, but if I were you, I would make sure that Congressman Porter gets up to speed on what those issues are and let him watch them for you.

Mr. Galbreth. Thank you. That's good to hear

Chairman Boehner. Let me just thank all the witnesses for their testimony. This is a real opportunity for us to talk to people, not only about the reemployment accounts, but also about WIA. As I mentioned before, Congressman McKeon kind of inherited WIA, and redid it after I took a sabbatical from the Committee and served in the leadership for two years.

Back in the 1980s, I realized as a state legislator that we had many programs at the federal, state, and local level to assist workers who needed training, who were unemployed, who needed education, none of which were coordinated in any way, shape, or form. And I remember putting a bill together back in the early nineties as a new Member of Congress that would collapse these programs into a handful of funding streams in order to better coordinate the services and the funding that, in my view, is there in order to help these workers.

As I mentioned, the result of all of that and Mr. McKeon's work became WIA. We are very big supporters of seeing the One-Stop system work effectively. And as we get into the reauthorization this year, it's our intent to work with the governors and the local Workforce Investment Board to fine-tune the legislation to see that these boards work better and that they be effective. There is no better example of how they don't work than in my own home state of Ohio, and so I've paid close attention to the problems that we've had.

Before I get into WIA, let me talk a little bit about these personal reemployment accounts. All of the states have a profiling system as mandated under federal law to take a good profile of who the unemployed are, and what their needs are. When Secretary Chao was at our Committee last week, one of our colleagues suggested that this profiling system isn't as up to speed as it should be. Do you want to tell us a little about your system?

Ms. Florence. Thank you, Mr. Chairman. I'd be happy to talk about Nevada's experience and worker profiling.

I don't think Nevada is unusual in that many states have struggled with the changing characteristics of the unemployed in updating their profiling system to consider those characteristics in terms of identifying those most likely to exhaust.

I believe our system is probably about 25, 30 years old, Debbie?

Ms. Lindemenn. Yes.

Ms. Florence. When the director doesn't know anything, defer to staff that know everything.

Chairman Boehner. Trust me, trust me. Members of Congress could never survive without staff.

Ms. Florence. But in talking with other states, I think, as I indicated, it's not uncommon. H.R. 444 does provide up to 2 percent to make changes in states' profiling systems and the automated support behind that. I think the difficulty is that any time you are dealing with technology, as the Chairman knows, I'm sure, there are proposals that you have to go through from any number of vendors who all claim they have the latest and greatest profiling system. They all need to be evaluated. Nevada is very fortunate in that we work very closely with local partners and we would want them to be part of that process.

That's why I suggested the Committee might want to consider providing governors with the ability to request waivers if they think they have an existing program that can accomplish the same kind of objective as H.R. 444. That being said, our overall mutual interest is getting people who are unemployed who may likely exhaust back to work quickly.

Chairman Boehner. The reason for the question was to get a feel from you of how your profiling system works. Because as we envision these reemployment accounts working, the states are going to have to identify those people most likely to be helped the most by them.

If you take up the maximum grant, we could cover about 1.2 million workers around the country. We have about 4 million unemployed. So, obviously, there aren't enough funds for all of those who are unemployed.

And my concern or my question is really focused on do you think we have enough profiling information to determine which of the unemployed would most likely be helped or could succeed with these.

Debbie, you want to comment?

Ms. Lindemenn. There is a plan. Of course, it hasn't been put into effect, and that has a lot to do with budget. But the statistical model of how these folks are selected does need to be updated. There are factors that have changed in the last 15 to 20 years. At present we are looking at how we could update the statistical model, but that has been put on the back burner.

Chairman Boehner. So if we have these new accounts, I think we are going to give states the flexibility to help develop the parameters around which people they may select, but I'm trying to

get at how it would work here in Nevada. How would you envision it working?

Ms. Lindemenn. Well, you know we have changes in our industries. What's needed is a statistical model of how these people are selected, so our research and analysis team needs an availability of funds to be able to update how those selections are made. And right now I couldn't give you the bare bones of what is needed. But I do know that the statistical model is in an outdated section right now. There is a plan involved, but it's on the back burner.

Chairman Boehner. You made a point of wanting us to make it clear as we move this bill, that the local WIA boards will run the programs, and there will not be a separate system. Trust me, there aren't three Members of Congress more determined than we are to make these One-Stop Centers work and to bring as many of these funding streams together and to run them through the local workforce investment boards. I appreciate your suggestions, and we will certainly take that into account and try to make it clear when we move the legislation that we expect it to be operated through the One-Stops.

Mr. Brewer, let me ask you about how the One-Stops are working here and the relationship between the boards, the private sector members, and the public sector. I won't refer to the bureaucrats or anything like that.

Mr. Brewer. I'll be happy to respond. You threw a number of issues out there, and I'll try to answer them in order.

Starting first with the relationship of the board and the One-Stop operation itself, we feel we have a very strong local relationship with the One-Stop operation. The board in its role provides the general policy and guidance, and we have what we feel are good administrators that are working in that system to really operate it according to its intent, which is to provide benefit to both local employers and folks that are seeking employment.

Now, could it be more efficient? Yes, it could.

Chairman Boehner. How would we achieve that?

Mr. Brewer. This efficiency would come from some of the things that Myla has already brought up in her presentation, and we probably talked around this morning. There really needs to be a serious look at the partners as they operate and are involved in the One-Stop Centers. They come willing, but a lot of times they come with restricted finances in terms of the way that they can use the monies that are provided for their individual agencies. A room full of people with good intent without the proper funding leads to a level of efficiency and effectiveness sometimes that is less than desired. And that's our current situation.

We have a lot of good people working very, very hard. There are a lot of different people with a lot of experience, and many of the people are doing a good job. But sooner or later, the funds get short, and you have to make some decisions that you wouldn't otherwise make because of the funding. So that really needs to be looked at.

Chairman Boehner. Now, would these be agencies funded by the federal government out of different pots of funds?

Mr. Brewer. Yes, they're funded by the federal government from different pots, and they are obligated by the WIA Act to be part of the One-Stop. But there is no requirement or obligation to appropriate part of the funds to support your part of the partnership.

Chairman Boehner. We have seen collaboration work in wonderful ways in some areas. I was in Dayton, Ohio, part of which is now in my district. Dayton has a model One-Stop that was really a creative waiver over ten years ago. It was incredible to see the cooperation and the collaboration all focused on the customer, not only the unemployed, but those who need more training and more education to improve their job skills not only maintain their current employment, but to try to advance up the economic ladder towards a better job.

I have been asking myself how can we encourage more collaboration? I have 11 brothers and sisters, and our parents would come home saying, "You all are going to get along." I don't know how we write a law that says that.

Mr. Brewer. I don't know how you write a law to do that either. We have a strong corroborative effort here that you'll see as you go through the One-Stop.

I think folks come to the table knowing that they have restrictions, and that gets us back to things that are even outside of the Committee. But you have to revisit how you are going to fund these types of operations over the long haul. I don't know how we get there. We have to talk about it.

Chairman Boehner. Please send Mr. McKeon, Mr. Porter and I a memo in which you outline some of this in more detail.

Ms. Florence. There are two issues here. First, I want to compliment Chairman McKeon for the vision of WIA, and I really believe that in Nevada we are known as one system, or one brand. Over time I think people will recognize Nevada JobConnect as the place for business and workforce services unlike other states where there may be 20 or 30 different names of partners within the system.

With regard to funding, I hate the term "mandatory partners." I'm sorry, Mr. Chairman. It's just an oxymoron in my mind. But if a portion of the federal agencies funding a mandatory partner were put into the infrastructure of the system, then you'd have stronger collaboration, in my mind.

And, secondly, with regard to the workforce boards, as I mentioned, they are far too large. I notice the Administration now has a proposal to restructure the state boards to include the partners of the system, meaning bureaucrats, with a business leader. In my mind, that is taking five steps backwards.

Our state board is business driven. A business member of that board leads every subcommittee. It includes the business members of local boards on the various subcommittees. We

are moving in the right direction here under business leadership. My staff and I merely lend support to those activities. We don't drive them. We don't attempt to drive them.

Chairman Boehner. You're one of the few states where that would happen.

Ms. Florence. I think that's the way it ought to happen.

Mr. Brewer. That's right.

Ms. Florence. We have a marketing committee that is led by business people with a marketing strategy. We have a committee on employment of persons with disabilities that, again, is led with business members. A committee on finance, budgeting, the staff isn't making budgeting determinations, our business led members are. And that has to happen at both the state and local level.

Thank you.

Chairman Boehner. I couldn't agree with you more.

Mr. McKeon.

Mr. McKeon. Thank you, Mr. Chairman.

The reason we left the room is that "Chairman" Porter received a message that the Cannon House Office Building had been evacuated. So he and I made a call and found out that it wasn't a terrorist. It was a leak, and that set off the alarm, so they evacuated. But it gets touchy when these kinds of things happen. With instant communication, it works.

Mr. Porter. Unless they forget to update their recording, but otherwise the message worked.

Mr. McKeon. Anyway, I missed some of the questions. Mr. Brewer had said he was a little nervous, he hadn't done this before, but I want to commend you. Your testimony was excellent.

Mr. Brewer. Thank you.

Mr. McKeon. And I don't say that just because you're wearing cowboy boots. Before I got involved in politics, I was in the western wear industry. And when I got in Congress, I started a boot caucus. I really like people who wear boots. And I always check that out.

We will really look at your testimony. All of you have been very, very helpful. I wish all my hearings could be like this. You know, when we're in Washington, we are up there on a pedestal, and the Chairman has a big chair, and we're looking down at people. I think that is really intimidating. We have a lot more Members present and all want to ask many questions, and if you have cameras in the room, it really gets exciting, but here it's more intimate.

Chairman Boehner. That's just an invitation for Members to talk longer.

Mr. McKeon. This forum is really where we can learn what is going on. I appreciate your testimony and the opportunity to be here.

Thank you for giving me the credit for writing this bill, which includes the One-Stops, but as the Chairman mentioned, he was involved in it, and prior to his tenure the former Chairman, Mr. Goodling was involved. When we won the majority and I became Chairman of the Subcommittee on 21st Century Competitiveness, it was handed over to me. So there had been a lot of work done before, and I was able to finish it up and get it passed.

The objective was to take 160 federal job-training programs and combine them into four, and give the power to the local communities where "the rubber meets the road" and to really get things done. We weren't successful in that. We got a lot of "flack" and we had to regroup and go back to the next Congress. We cut 50 federal job-training programs down to the three local block grants. But every five years it's very good that we have a chance to look at it and say, "Where are we going? What can we do better"? I'm happy we are going to be able to take a tour and see the programs that you have here.

But when we all get together in Washington, we have a vision of what we'd like to see, and then write a bill. Then it goes through the process of amendments and so forth, and we finally get it passed in the House, and perhaps the Senate passes something similar. And then we get together and try to work out a compromise, achieve that end, send it to the President, and he signs it.

Then the bill goes to the departments that write the regulations, and somewhere down the line, a bill that finally gets to the point to where you can do something with it. And it takes a few years from the time those regulations are all written to setting up the One-Stops. And as soon as that's done, we say, "Whoa, we're going to reauthorize and going to change everything." We just got started!

So let me tell you one thing, we are not going to throw out WIA and start over from scratch. We're just going to try to improve on what is out there, and you are not going to have to say, "Wait a minute. JTPA is gone, and now WIA is gone, and we're going to start over again." That's not going to happen.

You have given us some very good recommendations that we can look at. I think the Personal Reemployment Act, acts as a supplement. This will help stimulate people that are hard to employ and give some of them a little extra help. The 15-and-a-half-weeks of benefits, as you said, total up to about $3,600, and this is an additional $3,000. That provides quite an impact for help, and it should be something that is really positive.

We had a hearing in Washington. We got beat up a lot. You know, "How come you're not doing this and this and this?" And I thought, "Why don't we concentrate on what we are doing and get it done and get it to where the people really need it, then we'll focus on some of these other things." But I couldn't believe we were getting beat up when you provide $3.6 billion to help people. Why don't we just come together and focus, and get it done. Then if more is needed, get it,

because you made good points about needing additional monies.

Does the memo that you are going to send us tell how the One-Stop is funded now?

Mr. Brewer. We have an understanding with the board and a collaborative agreement with all of the partners, and each one of the partners brings, "an appropriate amount of funding".

Mr. McKeon. If you have one partner bringing 20 percent and another partner bringing 2 percent, and they say, "Well, we can't bring 20 percent because we're using our money somewhere else on some other things, and although we want to help we really don't have the resources."

Mr. Brewer. Right that's where the collaborative effort comes in. Yes, their situations might differ, but the partners just work it out among themselves.

Mr. McKeon. I come from a family of five kids, and we were all in business together, and I understand. We all paid ourselves the same amount of money. And you'd always look over and think that one brother was not working as hard as the other. So I understand how that works, but if you could address some specifics in that memo, I think that would be very helpful to us as we go through this WIA reauthorization. I made a lot of notes on your statements, and when we get back we'll really look into this.

I hope you will stay in close communication with us as we go through the WIA reauthorization.

Mr. Brewer. It would be my pleasure.

Mr. McKeon. That would be great.

As Florence mentioned, there is a difference between Nevada and California. You have the real advantage here of a few million people versus 30 million people. California is like a country unto itself. We have full-time legislators that really want to justify what they do, so they pass lots of laws, and everything gets complicated for everybody.

Our goal is to get as much authority down to the local area as we can, whether it be workforce investment or H.R. 1 or whatever; we're working on that. That's our goal in this Committee, because we don't think that all wisdom and all abilities to handle all problems reside in Washington. But the resources all come from you anyway when we take out a portion, in some cases a bigger portion than others, and then give it back that way.

One of the problems if you came into the system late is you're are not getting your fair share. In California, the same thing. We send about 12 percent of the resources and get back about 10. That's billions of dollars every year. Is there any press in the room?

Chairman Boehner. Probably.

Mr. McKeon. I'm a Westerner, so my solution was to take the Northeast and add it to Canada and I think that's the only time I said that in public.

Chairman Boehner. The Northwest would have to say something about California.

Mr. McKeon. They sure would. But when you start talking about money, all of this is really decided in the other body. California has 36 million people, 53 Congressmen, and two Senators. Delaware has 600,000 people, one Congressman, and two Senators. So in Connecticut, Massachusetts, Rhode Island, and New Hampshire, the funding for a lot of these programs is very hard to even out when people are leaving those areas and coming to Nevada, California, Arizona, and Texas. I'm just moaning about that because that's a problem that we deal with and feel the effects of.

Mr. Galbreth. Definitely.

Chairman Boehner. It is an institutional problem.

Mr. McKeon, we had language in the welfare reauthorization bill last week that would require TANF to work through WIA with regard to employment, training, et cetera. Would you care to discuss that?

Mr. McKeon. Every time somebody loses a job or wants to improve their marketability, our vision is to see everything go through the One-Stop. But everybody builds his or her own little kingdom, and it's hard to pull everything together.

But that is our ultimate vision. We don't have total jurisdiction. The welfare reform bill went through five different Committees and we had a big part of it, and Ways and Means had a big part of it. But we have some limited jurisdiction in this because all of it doesn't go through our Committee. If we did, our goal would be to have everything would go through that One-Stop.

Chairman Boehner. One of the reasons we had a proliferation of job training and retraining programs is because each Committee had its own programs based on its issues. For example, the Ways and Means Committee deals with trade issues, and therefore you have the Trade Adjustment Act that we don't have jurisdiction over.

We'd still like to collapse all of these various programs if we could get some fellow Committees to cooperative a little bit more. Because I think One-Stops as people get more used to them are going to attract more partners. And what I mean by that is that most of our colleagues now understand the One-Stops are here, and the creation their own new programs is going to be met with great resistance, not only in Congress but by the Administration.

So, as we get into it this year, I don't know how much progress we'll be able to make in terms of more programs being collapsed into those funding streams, but speaking both for Buck and myself that would certainly be our goal.

Mr. Porter.

Mr. Porter. I have a couple of comments.

First, I think Myla's cooperation in our business community with workforces is a real plus for Nevada. We have a real tight group of folks that are working together, unlike some of the larger areas. I think we should be commended here in Nevada for that, and thank you for your leadership.

We talked about terminology a little bit ago. I'd sure like to see the word "profile" eliminated from our vocabulary also. I learned long ago, and I sensed at our first hearing that with political adversaries it isn't about what's best for the communities, but what is best for the party. So I anticipate they're going to be using this word "profiling" in a negative sense when they speak about the reemployment bill. So we, as an institution, need to find a new word instead of "profiling".

Debi, thank you for your comments, and I know I missed part of the discussion when I was out in the hallway. You're on the front line every day, and you see the folks that have challenges. Hopefully when this passes and the administrative "regs" are taken care of, are there some areas that we can address to simplify it, to make it easy for you to make it easy for your customers? What information should we send to our staff? Are there some areas that come to mind? I know you mentioned transportation and childcare. Can you be more specific?

Ms. Lindemenn. One of things we had talked about while you were out in the hallway was determining the statistical model or updating our statistical model to select folks. There are times when we get numerous people in the office that really have no need for our service, I think Myla can agree, and with some of our outdated statistical modeling we leave out the people that have the need. And this becomes a challenge because we all know that negative comments about services can change people's views.

Mr. Porter. I understand and well said, that from a logistics delivery perspective proper statistics make sure the proper information is disseminated. But what about making sure a person gets a check when they need it, and fast? What can we do to make sure that there's simple, fast delivery to these families?

Ms. Lindemenn. In the State of Nevada, I can honestly tell you that with the many people that are moving into our state from the East to the West, we have a staffing issue. Over the past twelve years I have seen that happen continually. More and more folks move in, but staff doesn't increase, thus causing some delays.

I think rules and regulations are in place and certainly governed, but without the manpower to take care of those rules and regulations, the persons out there waiting for the check are kept waiting.

Mr. Porter. I think it's important to mention that my wife did a radio program this morning and many folks who were listening were not very excited about the 15-and-a-half week extension

program. I think it's important to emphasize that we save $8.4 million by literally one week, that's substantial. I didn't know the number when I decided to support and be a part of this, but that figure is compelling. It also means that this single mom has a job sooner, she gets to work some, but saves something for the system. That is a very compelling argument, especially for our colleagues in Washington. I can imagine what that would mean nationwide if we could save one week for these families.

Ms. Florence. It would be substantial.

Mr. Porter. My last comment is, as we talked about our friends in the Northeast and on the East Coast, we are under funded in our education system because the East controls the spending, but as their population moves west, they keep their education dollars. But on a lighter note, today the headline in the paper said a Member wants to rename Nevada, East California. If I were there, I would vote no, absolutely!

Thank you all very much for your input.

Chairman Boehner. Let me just comment on Mr. Porter's last comment about the education funding.

We, as one of the authors of No Child Left Behind worked diligently to try to ensure that all of the new money since the passage of the bill would, in fact, be directed at high poverty areas. There's no question that over the last 15 years we held states harmless. In other words, they couldn't lose their funds regardless of what happened to their population, especially amongst those disadvantaged in their states. And so all of the new money is much more targeted toward high poverty areas. And as a result, we are beginning to see a pretty significant shift of where those federal education dollars are going, which certainly pleases me.

With that, let me thank our witnesses for your testimony. I'm sure that Mr. Porter, or his staff and my staff will likely be back in touch with you to flush out some of the ideas that you've presented. But we really do appreciate your testimony. It's been very helpful.

And I want to thank those of you in the audience who took the time to come and participate with us today as well.

With that, the hearing is adjourned.

Whereupon, at 10:55 a.m., the Committee was adjourned.

APPENDIX A - WRITTEN OPENING STATEMENT OF CHAIRMAN JOHN BOEHNER, COMMITTEE ON EDUCATION AND THE WORKFORCE

Opening Statement of the Honorable John Boehner
Chairman, House Education & The Workforce Committee

Hearing on "H.R. 444, the Back to Work Incentive Act"

February 18, 2003

(remarks as prepared)

Let me start this morning by thanking the gentleman from Nevada, Mr. Porter, for hosting us here today. I'd also like to welcome our witnesses. I appreciate the opportunity to discuss the Back to Work proposal before our committee and to hear your thoughts on this important legislation.

During his State of the Union Address, President Bush laid out a comprehensive plan to speed our economic recovery and promote long-term job growth and investment. His plan also provides specific assistance -- in the form of personal re-employment accounts -- to help unemployed Americans who are struggling to return to work.

At a time when the economy is struggling but also improving, it is important that we focus on giving the unemployed more flexibility and choices in their employment search. Even though the most recent Labor Department statistics reveal that unemployment is down to 5.7 percent this month, we still need to examine new ways to help working families across this country during the time when they need it the most.

I am particularly attuned to the situation here in the state of Nevada. I have heard directly from Congressman Porter about how Nevada is one of the Nation's fastest growing areas, which can leave it particularly vulnerable when the economy turns sluggish. A growing population can also mean more unemployed when the number of available jobs diminishes. I am pleased to say that President Bush and our committee are looking at additional solutions beyond basic unemployment compensation that can help Americans when they need it the most.

On January 29, Congressmen Jon Porter, Buck McKeon, and others introduced the Back to Work Incentive Act, which reflects the president's plan to create personal re-employment accounts and help unemployed workers return to work quickly. I am pleased to be a cosponsor of this important measure.

The Back to Work Incentive Act represents a new and innovative approach to helping the unemployed get back on their feet. As President Bush has said, one worker out of work is one too many, and his plan will help working families in times when they need it the most.

Workers can use their Back to Work accounts for a variety of different services to help them find a good job, including job training, child care, transportation, housing assistance, and other expenses to help in finding a new job. Recipients will be able to keep the balance of their $3,000 Back to Work account as a cash reemployment bonus if they become reemployed within 13 weeks, creating an important incentive to return to work quickly. The more quickly a job is obtained, the larger the reemployment bonus will be.

States such as Iowa, Pennsylvania, and Washington have experimented with personal re-employment accounts and the results have been very positive.

One of the exciting aspects of the new Back to Work accounts is that they empower individual recipients to make choices appropriate for their own circumstances. Recipients will be able to create re-employment plans that help them navigate all the options available -- such as career counseling or training for a new profession in which they can become employed. By providing choice and flexibility, we can get people back into steady, good-paying jobs.

This new benefit supplements and enhances the services that are already available for those who are most likely to face obstacles in finding and keeping new employment. These Back to Work accounts will not only provide the unemployed with another important benefit to help them find a new job, but will be efficiently administered through the easily accessible One Stop Career Center system, much like the center we will visit today.

I look forward to working with President Bush, Subcommittee Chairman McKeon, and Congressman Porter to move this proposal quickly and make this innovative plan a reality for working families who need the help the most.

APPENDIX B - WRITTEN STATEMENT OF CONGRESSMAN JON PORTER, COMMITTEE ON EDUCATION AND THE WORKFORCE

Representative Jon Porter

Statement to the United States House of Representatives

Committee on Education and the Workforce

February 18, 2003

Field Hearing on the "Back to Work Incentive Act of 2003"

Good morning. I would like to thank Chairman Boehner and Congressman McKeon for coming to Las Vegas, Nevada today to hear testimony on behalf of H.R. 444, the "Back to Work Incentive Act of 2003". I would also like to thank our witnesses who have come here to join us today in discussing the significance of this legislation to our nation's, as well as the state of Nevada's unemployed workers.

The problem of our Nation's growing unemployment remains of concern as the economy begins to recover. Nevada, our Nation's fastest growing state, is suffering from rising unemployment while our State's population continues to grow at record numbers. Many Nevadans are left with exhausted unemployment benefits as the job market struggles to keep up with the population growth. Last year alone, the State of Nevada had approximately 36, 000 individuals exhaust their unemployment benefits. Of the 36,000 individuals, approximately19,200 have exhausted their temporary extended benefits. The legislation I introduced, along with Chairman Boehner and Chairman McKeon, H.R. 444, the "Back to Work Incentive Act of 2003", is a component of the President's economic growth package. Personal Reemployment Accounts will help accelerate the reemployment of many Nevada residents and ultimately help the Nation's unemployed citizens make a quick return to work.

These Personal Reemployment Accounts, up to $3,000 each, will give eligible unemployed workers the flexibility and control to purchase job training, support services such as transportation and child care, as well as employment counseling or case management services. As an added incentive for recipients to get off unemployment benefits and return to work quickly, this legislation allows those individuals who find a job within thirteen weeks to keep the balance of their account as a bonus. These accounts will be administered through the easily accessible One-Stop Career Center, such as Las Vegas Job Connect, where the unemployed currently seek assistance, and individuals will be given broad flexibility to purchase the services of their choosing.

Last week Chairman Boehner held a hearing in Washington, DC on "Back to Work: the Administration's Plan for Economic Recovery and the Workforce Investment Act"

where Secretary of Labor, Elaine Chao, testified on behalf of the "Back to Work Incentive Act."

In her testimony, Secretary Chao stated, "I am passionate about the re-employment accounts because they give people flexibility and choice." She was emphatic that this legislation needs to be passed in order to help more citizens "return to work sooner and in a job for which they were more prepared and better skilled." I believe H.R. 444, drafted in accordance with the President's Plan, will prove to be of great assistance to reintegrating those who have had the misfortune of finding themselves unemployed during these times of economic recovery.

Thank you Mr. Chairman, I look forward to working with you and the Congressional leadership, along with the Administration and Secretary Chao for quick passage of this bill into law.

APPENDIX C - WRITTEN STATEMENT OF MYLA FLORENCE, DIRECTOR, NEVADA DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION, CARSON CITY, NV

Testimony of Myla C. Florence
Director, Nevada Department of Employment, Training
And Rehabilitation
Field Hearing, Committee on Education and the Workforce
US House of Representatives
Tuesday, February 18, 2003

Mr. Chairman and members of the Committee on Education and Workforce, I am Myla Florence, Director of the Nevada Department of Employment, Training and Rehabilitation. Thank you for inviting me to testify today and it is an honor to be here at Congressman Porter's first field hearing in Nevada. The Department of Employment, Training and Rehabilitation administers programs authorized under the Workforce Investment Act, as well as unemployment insurance, employment services, vocational rehabilitation and the Nevada Equal Rights programs.

Our department in conjunction with the Governor's State Workforce Investment Board and the two Local Workforce Investment Boards in Nevada has made a remarkable transformation of the publicly funded workforce system since the passage of the Workforce Investment Act of 1998. We truly have a unified system in Nevada known as **Nevada JobConnect.** We are equal partners in combining the various workforce programs into a seamless system connecting business needs with a trained workforce.

I want to thank the Chairman for scheduling a hearing on President Bush's "Personal Re-employment Account" proposal and Congressman Porter for bringing this hearing to Nevada and introducing HR444, the Back to Work Incentive Act. In state fiscal year 2002, 36,216 Nevadans exhausted their regular unemployment benefits. Of those claimants, 19,201 went on to exhaust Temporary

Extended Unemployment Compensation (TEUC) benefits (through December 31, 2002). For the week ending January 31, 2003, Nevada reported 31,092 individuals collecting regular UI benefits and 4,103 receiving TEUC benefits. And for the last two months we have seen Nevada's unemployment rate tick slightly upwards to five percent in December 2002. (The first time since December, 2001).

Currently, Nevada's average benefit amount is $232.29 per week and the average duration for an individual to receive benefits is 15.5 weeks. Through the support and incentives provided in HR444, if we shorten the duration by even one week, Nevada's trust fund could save approximately $8.4 million. While the personal reemployment accounts would not be available to all claimants, we believe the heightened interest in such a program would connect more of the unemployed to the **Nevada JobConnect** system and the resources it can provide.

We appreciate the flexibility provided to states in HR444 and envision working with local boards on state options and program design. We also greatly appreciate the administration's recognition of the workforce system in general, and **Nevada JobConnect** in particular, to administer this new program. The investment of $3.6 billion in additional resources is welcomed and builds on the successes contemplated when the Workforce Investment Act was enacted. It also builds upon worker profiling systems and reemployment services states currently provide.

In April 2002, Nevada implemented an Automated Claimant Call In Letter (ACCL) to selected claimants based upon job availability matching to their former occupational code. The call in letter matching program was later enhanced to

include the implementation of an interactive voice response unit which enables **Nevada JobConnect** staff to increase follow up contacts with UI claimants.

The reemployment services goal was to achieve 1,437 entered employments statewide. However, with the automated enhancements and increased claimant contacts, Nevada substantially exceeded its goal with 4,241 entered employments. The committee may want to consider directing a portion of the new funding stream of $3.6 billion to reinvigorate or support existing programs that are targeted to rapid re-entry of the unemployed to the workforce or providing governors with the ability to request program waivers where appropriate.

As this legislation wields its way through the congressional process, I assure you our Department and the **Nevada JobConnect** system stands ready to assist in any way we can.

WIA Reauthorization

This year Congress will consider several reauthorizations in addition to WIA – i.e. Carl Perkins, Vocational Rehabilitation, TANF, and Adult Education. The timing of these reauthorizations provides an unprecedented opportunity to align programs and services to further enhance the one-stop workforce system.

The system exhibited its capabilities as **Nevada JobConnect** quickly responded to the tragic events of September 11, 2001. **Nevada JobConnect** partners rallied to assist over 5,500 individuals who needed in person assistance to file for unemployment insurance and other related benefits at the Culinary Union Hall in

Las Vegas and the Community College of Southern Nevada in Henderson. More recently, **Nevada JobConnect** partners have assisted with mass layoffs at National Airlines, K-Mart and American Airlines through the WIA funded Rapid Response program to enable those faced with job loss to reattach to the workforce more quickly.

Secretary Elaine Chao's testimony to this Committee on February 12, 2003 reinforced the notion that WIA requires some fine-tuning and not a major overhaul. The flexibility provided in HR444 should be considered in WIA reauthorization proposals and deliberations.

Governor Kenny Guinn, a former businessman, believes workforce development is really economic development. When he launched **Nevada JobConnect** in January 2002, his remarks emphasized the critical importance on focusing on our state's businesses' workforce needs. He simply stated, "If we take care of business, the jobs, skills development and strong educational system will follow."

The Workforce Investment Act should have a section devoted to business services. The section should require input from the business customer, authorize the provision of services that meet businesses' workforce needs and emphasize the linkage between workforce development and economic development.

Governor Guinn is our state's Chief Executive Officer and Chief Financial Officer. As such, governors need to be designated as the one in charge of determining how WIA will work in their own state.

As you have previously heard, the size of state and local boards are unwieldy. WIA must be amended to grant governors and local areas greater flexibility in determining board memberships that meet their needs, while still requiring a private sector majority. One stop partners should serve as resources to the boards and not as required board members.

We must diminish the "silo" aspect of federally funded programs and provide governors and localities greater authority to transfer funds between programs or at a minimum, a set aside from each "silo" for infrastructure support for the one stop centers. All workforce programs should run in consistent program years and federal agencies must develop common definitions, data elements and reporting requirements among the programs that provide employment and training services.

Nevada businesses have expressed a strong need for incumbent worker training. WIA resources should be more flexible to meet this need. Nevada's experience with pilot programs has demonstrated such training enables employers to stay in Nevada and supports employee retention.

Finally, the increased demand for local data under the Workforce Investment Act must be fully funded. Businesses demand timely, "user friendly," localized data. It is a valuable economic development tool that is positioned to take advantage of existing and emerging technology.

Mr. Chairman, that concludes my remarks. Thank you again for the opportunity to testify before the Committee and I welcome any questions you may have.

MYLA C. FLORENCE, DIRECTOR
Nevada Department of Employment, Training
and Rehabilitation (DETR)
Carson City: (775) 684-3911

Myla Florence was appointed the Department Director by Governor Kenny C. Guinn in May 2000. Myla joined state service in January 1983 when appointed by former Governor Richard Bryan as Administrator of the Division for Aging Services. In 1988, former Governor Miller appointed her as Administrator of the State Health Division. He subsequently appointed her as the State Welfare Administrator in 1992, where she remained until assuming the helm at DETR. Myla's long career in state government, followed 9 years of public service at the local level in Clark County.

Myla received her Bachelor's Degree in education from Southern Illinois University, Carbondale and her Master's Degree in Public Administration from UNLV.

She currently serves on the State Workforce Investment Board and the Public Employees Benefits Board. Additionally, she has served on many national boards, most recently the National Association of State Workforce Agencies, Board of Directors.

APPENDIX D - WRITTEN STATEMENT OF ROBERT BREWER, CHAIRMAN, SOUTHERN NEVADA WORKFORCE INVESTMENT BOARD, LAS VEGAS, NV

TESTIMONY OF MR. ROBERT B. BREWER
CHAIRMAN, SOUTHERN NEVADA
WORKFORCE INVESTMENT BOARD
BEFORE THE HOUSE COMMITTEE ON EDUCATION
AND THE WORKFORCE
ON H.R. 444, THE BACK TO WORK INCENTIVE ACT OF 2003 AND
REAUTHORIZATION OF THE WORKFORCE INVESTMENT ACT OF 1998
FEBRUARY 18, 2003

Chairman Boehner, Chairman McKeon, Mr. Porter, and other distinguished Members of the Committee, my name is Robert B. Brewer and I am Chairman of the Southern Nevada Workforce Investment Board, including Las Vegas. I also serve on Nevada's State Workforce Board, and on the Board of Directors of the National Association of Workforce Boards (NAWB), where I am Chairman of the Board Policy Committee. Finally, when I am not wearing my workforce board hat, I am the Senior Manager of Corporate and Administrative Services for SouthWest Gas Corporation here in Las Vegas.

I would like to thank Members of the Committee for inviting me to testify before you today about my views on H.R. 444, the Back to Work Incentive Act of 2003. While I will focus my remarks on the specific legislation, I would be remiss if I did not express my strong support for the locally-based, private sector led workforce investment system established under the Workforce Investment Act of 1998, and particularly, the vital role that local workforce investment boards play in the governance of that system. It is my hope that reauthorization of WIA and any new workforce initiatives, such as the Personal Reemployment Accounts envisioned in H.R. 444, will build upon the WIA system and continue to provide local boards with a clearly defined role in the design and oversight over such initiatives.

If I may take a moment, I would like to take this opportunity to thank Congressman Porter for introducing this important legislation, and for his support of our efforts here in Nevada in building a highly skilled workforce. This proposed initiative has great potential for providing our most vulnerable dislocated workers with additional

resources that will help them secure new, gainful employment. It is an appropriate effort to assist the over 2 million workers who have lost their jobs over the last two years.

In Nevada, and in the Las Vegas area in particular, the unemployment rate increased in December to 5 percent, translating to over 50,000 people out of work, over 40,000 of whom were looking for work in the Las Vegas metropolitan area. While this number is still nearly a full percentage point below the national average, it represents a worrisome increase in the number of unemployed workers in our state and region.

The good news is that, in spite of the rise in unemployment recently, employment in Nevada has actually grown in all sectors but mining over the past year. Total employment in Nevada reached over 1 million last year, up 2.4 percent from the previous year. Statewide, key sectors such as construction, manufacturing, trade, government and services have continued to grow. The bottom line is that we must focus our energies on connecting unemployed workers with the jobs that are in demand.

H.R. 444 has the goal of helping the most vulnerable of these dislocated workers get back to work by providing them with additional flexibility, choice and assistance in their search for employment. The eligible recipients who have been profiled typically have higher levels of skills deficits and they will be able to benefit greatly from the new education and training opportunities that the personal reemployment accounts can provide. Finding replacement employment with wages that can support their families now and provide career paths with upward wage growth for the future will also benefit our communities as well.

In particular, I commend your efforts to make the personal reemployment accounts established under the bill a part of the workforce investment system by requiring that funds be accessed through the one-stop delivery system. I support the manner in which funding is distributed for the accounts, with 5 percent of the funding provided up-front to local workforce areas for program startup costs and administration, and the remaining amounts drawn down for individuals who are eligible in the form of

determining eligibility for the reemployment accounts and in conducting the profiling that will further identify workers who are eligible for services. I do have several areas of concern that I think, if addressed, would significantly strengthen this proposal and ensure its successful implementation.

Recommendations for Improvements in the Back to Work Incentive Act.

Role for Local Boards. Our WIA system and local workforce boards provide a ready mechanism for providing quality assurance and accountability that cannot be achieved through the States alone. My biggest concern with H.R. 444, as it is now written, is the lack of a clearly defined local role for local workforce investment board, i.e., in determining how the reemployment accounts will be implemented, in ensuring accountability over the accounts, and in the planning of how these additional resources will augment existing resources in the broader workforce investment system.

Although the proposal requires that personal reemployment accounts be accessed through the one-stop delivery system established under WIA, local workforce boards do not appear to have any authority over the implementation or oversight of this $3.6 billion in new funding that will be sent through the workforce system. As written, the bill would make local workforce areas financially liable for any mis-expenditures or misuses of funds after the fact, and provides local boards and local elected officials with very little authority up front to ensure that resources are used properly or wisely. I would urge you to provide the same levels of authority, responsibility, and accountability provided to local boards under WIA in this new legislation. There is an accountability infrastructure already established in WIA, why spend more money to set up something parallel?

There is another accountability feature that I would strongly urge the Committee to incorporate in H.R. 444. Build on the current local planning process by requiring the workforce boards to describe how personal reemployment accounts would be utilized as part of the broader workforce investment system to meet individual worker and regional economic needs. The local plans would describe safeguards, including how the local

board would identify reputable, high quality service providers, and ultimately, would ensure the wise use of these funds at the local level. Local workforce boards are already doing this in WIA. This is a public stewardship responsibility that we are prepared to take on.

My third suggestion regarding local boards' roles further strengthens program accountability once the program is initiated. It is aimed at simplifying and speeding up processes and ensures that quality assistance is available to eligible recipients as they exercise their flexibility and choice of return to work assistance. I urge you to utilize the existing WIA infrastructure and processes for accessing similar training and support services under the personal reemployment accounts. Doing so will provide greater assurance that recipients will identify and receive quality assistance, especially if local workforce boards and States are permitted to add to the lists of qualified service and training providers. In any case, local boards must have a role in the identification and approval of such providers to guard against abuses and to ensure quality and accountability within the system, particularly if they are to be held liable for these funds.

Personal Reemployment Plans. I also share your goal that individuals should be given flexibility to use resources under H.R. 444 to meet their individual needs. This is particularly important for the workers profiled as eligible for these services because they are the most vulnerable of the unemployed. There is no "cookie-cutter" solution for their individual needs. For this reason, we believe there is an important role for informed guidance in this process.

We have spent the last five years building the public workforce system and I believe that local one-stop systems, in response to the policies set by local workforce investment boards, have developed a systematic approach to guide unemployed individuals through the WIA services presently available. I would urge that you underpin the flexibility given to the individual in the bill by requiring that helpful occupational guidance and assistance be available to each worker to help him/her make choices based on good information and a complete understanding of the full range of resources and opportunities

that are available to them. As such, I recommend that you modify the proposal to require that each individual accessing a reemployment account develop a personal reemployment plan as a condition of eligibility for the account. Quality occupational information and career counseling should be provided to individuals as they decide how to manage their accounts. This process should not require adherence to a rigid plan of action by the individual, but should provide workers with an understanding of the wide range of occupational and support services available to them. Having workers understand pathways to more upwardly mobile career paths, including those that may include skills training, will lead them to wise use of their reemployment account resources.

Authority to Combine Personal Reemployment Accounts with ITAs and other WIA Services. I do have one final suggestion. Under H.R. 444, individuals who choose to receive a personal reemployment account are prohibited from receiving any further services, except for core services, through the WIA system for one full year after receipt of a PRA. While this may be appropriate for those individuals who cash out their account, or possibly even for those who use their PRA for the purchase of an automobile, this provision ends up being too restrictive, and potentially punitive, for those who choose to receive services through the reemployment accounts. Again, I remind you that those eligible to receive personal reemployment accounts are the most vulnerable of the dislocated workers, many of whom have been profiled as a result of inadequate education and skills levels. They are likely to need longer-term education and training services in order to be competitive in today's job market. Due to this, I would ask that your allow local boards to determine packaging of PRAs, ITAs, and other services under WIA for individuals who are in need of such assistance, with the exception of those individuals who do "cash out" their reemployment accounts.

Chairman Boehner, Chairman McKeon, Mr. Porter and other Members of the Committee, again, I commend you for your leadership in our nation's workforce investment efforts, and on your leadership in the introduction of this important legislation. Here in the Las Vegas area, these H.R. 444 resources, in combination with those provided through the Workforce Investment Act, would provide us with a greatly

enhanced ability to help the over 40,000 workers who are searching for employment. Nationally, H.R. 444 has the potential of providing much needed additional resources for the dislocated workers and for our workforce investment system.

The country's workforce investment boards stand ready to take on the responsibility for this initiative as a part of our roles and responsibilities over the workforce investment system. I urge you to provide the local boards with the clear authority to package these resources in ways that will both benefit the workers they are intended to help. In doing so, it will enable our local boards to focus training on the key sectors of our local economy that are in high demand and that provide workers with the best jobs and career growth opportunities.

I thank you for this opportunity to address you today and I am ready to answer any questions you may have with regard to my remarks.

APPENDIX E - WRITTEN STATEMENT OF DEBI LINDEMENN, EMPLOYMENT SPECIALIST SUPERVISOR, NORTH LAS VEGAS JOBCONNECT, DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION, LAS VEGAS, NV

Testimony of Debi Lindemenn
Employment Specialist Supervisor North Las Vegas, Nevada
Department of Employment, Training and Rehabilitation

U.S. House Committee on Education and the Workforce

Field Hearing on "H.R. 444, Back to Work Incentive Act"

February 18, 2003

My name is Debi Lindemenn. I must say I was given very short notice and am unable to provide a lengthy statement.

I would like to thank the Committee for inviting me to testify here today. I live in Congressman Porter's district, so this is an honor for me.

As a supervisor on the front line I have first hand knowledge of the struggles families face. There is a changing job market within the Las Vegas labor market. My perspectives of the kinds of needs people have to become re-employed are childcare issues, transportation issues and training needs. We know an estimated 15000 people were laid off as a result of September 11th. Although visitor figures show our city has come back we have not really fully recovered. Unemployment just covers the food, clothing and shelter. Additional costs for childcare and transportation needs are limited.

Most of these individuals do not have a lot of re-employment choices. Many have returned to work in the hotel/casino industry only to become under-employed. When people are under-employed, our services are unable to offer a training program that would assist them in obtaining a better paying wage. This forces these individuals to use their personal reserves and savings to maintain their normal lifestyle, thereby leaving them unable to make other employment choices such as relocating within the labor market for better opportunities. In addition, with the continuing migration to this labor market the competition for employment is high.

At the present time the State of Nevada does have a compliment of services for the unemployed that works. I have heard of the many programs and am proud to be on the front line. I can tell you as a front line supervisor that there is a need for additional staff to do the case management needed to verify the various programs successes.

Thank you again for giving me the opportunity to be here.

APPENDIX F - WRITTEN STATEMENT OF ARDELL GALBRETH, DEPUTY BOARD MANAGER AND DIRECTOR OF OPERATIONS, SOUTHERN NEVADA WORKFORCE INVESTMENT BOARD, LAS VEGAS, NV

U.S. House Committee on Education and the Workforce
Congressional Hearing Testimony

By: Ardell Galbreth
Deputy Board Manager, Southern Nevada Workforce Investment Board

There is a workforce crisis looming in our nation's future if we fail to invest in our youth now. By earmarking the proper resources for youth employment and training services now, our investment dividends would be realized for decades to come. This is not a guess, but well supported by creditable labor market studies. Since the year 2000, there has been a 12% increase in youth that are both jobless and out-of-school, which translates into a nearly 600,000 increase in this population. In 2000 there was an average of 4.9 million youth between 16 and 24 years old who were both jobless and out of school. During 2001 the stakes got even higher—5.2 million. Due to our lazy economy, we anticipate a steady increase in youth jobless rates to exceed 7 million by the end of this year. In plain view, children in poverty neighborhoods and low income families have it difficult in the extreme. We need your help and we need it now.

As we work to ensure that no child is left behind, we must remember that this challenges us not only to improve our children's overall education poster, but their lifelong credit to society. One of the primary reasons many minorities and children from low income families do not achieve the finer goals and rewarding careers is because of the huge youth employment gap which extends well into adulthood. For example, according to Northeastern University's Center for Labor Market Studies, during 2002, youth joblessness surged to 5.5 million for out-of-school youth between the ages 16 to 24.

We all agree that education is certainly a high priority for our children, but we need to lean forward for a clearer view that's beyond the days of school and playground tinkering. We need to better prepare our children for success in life. Congress is on the verge of cutting over $300,000,000 in youth employment and training programs funded by the Workforce Investment Act. Such funding cuts as these stab at the core of low income youth and their hope to someday leave the hood and enjoy the life-quality happiness many of us are currently experiencing.

I ask you—our elected leaders to take a look at the picture from a perspective that if we don't ac now to equip our children with the proper skills-set to become productive adults, our current social security retirement system or what's left of it, will come crashing around us by the end of 2020. I urge you to take a strong stance against youth funding cuts and support youth funding at respectable levels as to ensure quality delivery of sorely needed youth employment and training services. Please understand that the time and need are now. Review the numbers—as they spea for themselves. One out of every four African-American youth and one out of every five Latino youth between the ages 16 to 24 are out-of-school, unemployed and on the streets. There is an urgent need to raise the visibility of these out-of-school youth. Here in Las Vegas, the fastest growing metropolitan area in the country for over a decade—yet because the present administration has zeroed out funding for youth opportunity grants, the youth in this area and throughout the State of Nevada will not be able to tap the benefits these grants offer. I've read and have been told that since few youth vote, they are not considered in the political formula for elected officials, but I refuse to believe that's the case. I am confident that through people like me, our youth voices will be heard loud and clear that what our congressional leaders need to do is to focus more on funding worthwhile programs like job corps centers and employment and training youth opportunity grants that offer our youth a chance at life and not become our society's menace.

To help insure and secure our nation's most treasured resource—today's youth, I recommend that Congress focus its attention on the following:

- Significantly investing in our youth employment resources by increasing formula grant funds to help make a realistic difference in the quality of life for young people
    - New youth competitive challenge grants are good, but they should not be at the expense of States' formula grants to serve those most in need
    - Funding appropriation for youth opportunity grants for states like Nevada that were not in on the ground level when these funds were initial awarded is essenti

- Introduce and work hard to pass legislation to make youth councils mandatory with authority to act with its own funding stream

- The current 30% youth funds expenditure requirement for out-of-school youth is a good thing—as it helps address youth Left Behind in the Labor Market, but attention must als be paid to ensuring adequate funding is available for in-school youth to help prevent them from becoming out-of-school youth

Strong funding deposits with the implementation of these recommendations would secure a soli investment for our nation's feature—youth who are the leading edge of productivity as our mos valued workforce. Thank you so much for allowing me this opportunity to speak on behalf of our nation's most pressure resource—today's young people.

U.S. House Committee on Education and the Workforce
Congressional Hearing Testimony

By: Ardell Galbreth
Deputy Board Manager, Southern Nevada Workforce Investment Board

Now with regards to dislocated workers of which, many have been unemployed for over a year; the view looks just as grim. House Resolution 444, introduced by our own Congressman Jon Porter is a step in the right direction to get people quickly back to work, but the maximum benefit of $3,000 may not go very far for those living in some of our depressed areas of the country. In addition to establishing Personal Reemployment Accounts, Congress needs to focus its attention on increasing the funding for adults and dislocated programs under the Workforce Investment Act.

Regardless of the amount of supportive services reemployment accounts may offer, if jobs are not available, people will not be reemployed quickly. Congress is preparing to cut significant funds out of the Workforce Investment Act (WIA) adult and dislocated worker programs. Right now, in our sluggish economy, WIA programs are our only hope to offer people the opportunity to acquire new skills by retraining into demand occupations. With adequate WIA funding levels, along with the new Personal Reemployment Accounts, jobseekers will be able to effectively tailor their reemployment plans to local area industries demands and match their skills with employers' needs for prompt reemployment. For example, let's take here in Las Vegas—which was the corporate headquarters for the now defunct National Airlines. Through Nevada's JobConnect System, using our National Emergency Grant for dislocated workers, we were able to offer training services to hundreds of laid off workers to allow them to get the proper training and get back to work. In many cases, airline pilots only needed a new type rating certification to allow them to sign on with another airline or a corporate aviation agency. In some cases, pilots increased their annual income because of this new training.

The bottom line of my testimony is that if our intent is to return people back to work quickly, we need to earmark workforce funding levels to allow for adequate training to upgrade jobseekers skills to match new employment demands. Our National Airlines project is a fine example of how adequate training can quickly get people back to work.

I recommend that Congress view H.R. 444 as a supplement to the Workforce Investment Act and not a one-time reemployment stop-gap. It is important that Congress in both houses work to keep WIA as our nation's primary vehicle to deliver effective employment and training services to both jobseekers and employers by appropriating adequate funding to do the job right.

Again, gentlemen, thank you so much for this opportunity and I hope that you will be able to use my testimony to support necessary legislation to help get people back to work and keep the there. Thank you.

BIOGRAPHY

Ardell Galbreth

Ardell Galbreth serves as deputy board manager and director of operations for the Southern Nevada Workforce Investment Board. He oversees the Workforce Investment Board's general operational functions and all internal administrative service provisions, including program administration, management analysis and administration support for the Board. Ardell coordinates the activities of the Board's employment and training programs and the developmer and implementation of goals, objectives, policies, procedures and services for employers and jobseekers. He performs primary functions such as planning, organizing, reviewing and evaluating the activities of professional, technical and Board administration staff. Ardell meets regularly with Board members, committees, councils and constituent groups in support of employment and training activities. He also serves as the Board's expert in interpreting federal employment and training laws, state policies, and local guidelines for delivering employment ar training services. Ardell directs and participates in various committees and taskforces to organize and implement special projects and activities in support of the State of Nevada and Southern Nevada Workforce Investment Board's plans and objectives. He analyzes proposals and negotiates and administers resulting service delivery contracts. He also serves as Board action officer for administrative and operational matters impacting the delivery of employment and training services. As a skilled administrator, Ardell formulates Board policies for consideration and prepares agenda items, position and concept papers relating to the Workforce Investment Act.

After serving a 28 year Air Force career, Ardell was appointed deputy board manager on April 1, 2002. He also serves on Nevada's State Youth Council Taskforce and is a member of the National Youth Employment Coalition.

Ardell grew up in Seagoville, Texas, and is married to the former Virginia L. Chambers, al from Seagoville, Texas. They have two children, Kelly and Roderick.

EDUCATION

1983 Associate Degree in Management, Georgia Military College, Milledgeville, Ga.
1988 Bachelor of Science Degree in Management Studies, University of Maryland, College Park, Md.
1994 Master of Business Administration Degree, University of Phoenix, Phoenix, Ariz.

PUBLISHED MANUSCRIPTS

Enlisted Leadership—Charting the Stripes (1994)
Ethics in Administration (1981)

Table of Indexes

Chairman Boehner, 1, 4, 5, 9, 12, 14, 17, 18, 19, 20, 21, 22, 23, 24, 26
Mr. Brewer, 9, 19, 20, 21, 23
Mr. Galbreth, 17, 24
Mr. McKeon, 5, 21, 22, 23, 24
Mr. Porter, 4, 21, 25, 26
Ms. Florence, 6, 17, 18, 20, 21, 26
Ms. Lindemenn, 12, 14, 18, 19, 25

□