



COMMITTEE ON APPROPRIATIONS

DAVID R. OBEY, CHAIRMAN

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OPENING STATEMENT OF CHAIRMAN DAVID R. OBEY

APPROPRIATIONS SUBCOMMITTEE ON LABOR-HHS-EDUCATION

FY 2011 BUDGET OVERVIEW HEARING:

JOBS, TRAINING, AND EDUCATION

(AS PREPARED FOR DELIVERY)

MARCH 18, 2010

Today this subcommittee will focus on the challenge of training and educating our workforce for the high-skill careers of the new economy. According to the Bureau of Labor Statistics, the most substantial job growth over the next decade will be in careers that require an associate's degree or a vocational certification—including health care, high tech manufacturing, and clean energy. In my home state of Wisconsin, half of all job growth in the next decade is expected to involve jobs that require more than a high school education but less than a bachelor's degree.

The Labor Department's job training programs have an important role to play in helping workers get the training and skills they need to get those jobs as they become available. We should be making sure that any business looking to expand has no trouble locating highly qualified workers right here in the U.S. to meet its needs. That's why we included approximately \$4 billion in the Recovery Act for job training—effectively doubling the resources available to local workforce agencies. This investment has enabled a record number of unemployed and disadvantaged workers to enter job training programs—so that, as our economy continues to recover, more American workers have the necessary skills to drive sustainable economic growth while sharing equally in the benefits.

That means job training is also a key strategy for addressing the longer-term stagnation of wages and living standards that has plagued the middle class. As I've said before—and it bears repeating—the earnings disparity between the wealthiest workers and the middle class has been growing for three decades. Since 1979, real median income has grown by less than one-half of one percent. More recently, between the late 1990s and mid-2000s:

- Incomes for the top fifth of families grew by 9.1 percent;
- Incomes for the middle fifth of families grew by a mere 1.3 percent; and
- Incomes for the bottom fifth declined by 2.5 percent

One tool for addressing these disparities is better job training. It's not the entire solution, but it's part of the solution. Study after study has shown a direct link between job training and increased long-term earnings—boosting living standards for middle-class American families. Better education is also a key to reducing these disparities.

One of the most important links between job training and education is our network of community colleges. More than a third of individuals receiving job training through the Workforce Investment Act are served by community colleges. And studies have repeatedly shown that those individuals with a year or two of postsecondary education earn higher wages than their counterparts with only a high school education.

Which leads me to Pell Grants. As college tuition continues to rise, Pell Grants are a necessary life line for modest-income students to continue their education. Nearly 80 percent of high-income students attend college immediately after high school, compared with only 55 percent of low-income students. That is not a level playing field. Pell Grants are pivotal to closing the college opportunity gap for low- and middle-income students.

In fact, when Democrats took control of Congress, the maximum Pell Grant award had been frozen since 2003. Since then we've raised the maximum award by \$1,500 and included \$17 billion in the Recovery Act for Pell Grants – making college affordable for an additional 3.2 million low-income students.

But we continue to face serious challenges. For instance, unemployment levels for minorities and young workers are even higher than the national average. More than 90 million adults in America lack the basic academic skills needed to enroll in postsecondary education or job training programs. And workers with disabilities still encounter additional difficulties in their attempts to join the workforce.

I know that today's witnesses are actively engaged in addressing these issues and I look forward to hearing their testimony this morning.

This morning's panel includes senior officials of the Labor and Education Departments who have responsibility for job-related training and education.

- From the Labor Department, we have Jane Oates, who is Assistant Secretary for the Employment and Training Administration (ETA), and Ray Jefferson, Assistant Secretary for Veterans Employment and Training Services (VETS).
- From the Education Department, our first witness will be Martha Kanter, who is the Under Secretary and who has responsibility for career and adult education and higher education. Also, we have Alexa Posny, who is the Assistant Secretary for Special Education and Rehabilitative.

I will ask our witnesses to summarize their remarks in 5 to 10 minutes. We will place the entire written statement of each witness into the hearing record.

Before we proceed, I'll turn to Mr. Tiahrt, our Ranking Member, for any opening remarks that he would like to make.

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