

STATE OF WASHINGTON

WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD

128 - 10th Avenue, S.W. • PO Box 43105 • Olympia, WA 98504-3105 Phone: (360) 709-4600 • Fax: (360) 586-5862 • Web: www.wtb.wa.gov • Email: <u>workforce@wtb.wa.gov</u>

June 27, 2025

Honorable Patty Murray, Senator Honorable Suzan DelBene, Representative Honorable Rick Larsen, Representative Honorable Marie Gluesenkamp Perez, Representative Honorable Dan Newhouse, Representative Honorable Michael Baumgartner, Representative Honorable Maria Cantwell, Senator Honorable Emily Randall, Representative Honorable Pramila Jayapal, Representative Honorable Kim Schrier, Representative Honorable Adam Smith, Representative Honorable Marilyn Strickland, Representative

Dear Members of the Washington State Congressional Delegation,

We are writing to oppose major cuts to workforce development in the reconciliation budget, H.R. 1, passed by the House on May 22, 2025. We represent the state workforce board, and our mission is to ensure training and jobseeker programs meet employers' needs for a skilled workforce and individuals' needs for jobs. Business and labor members represent the majority of our board members.

Investments in workforce development help workers and employers succeed and build a strong foundation for our nation's future economic success. They help people become economically self-sufficient and reduce reliance on social services. And workforce investments also give employers access to a more skilled workforce so they may better compete in a global economy. Additionally, with new restrictions on skilled foreign workers, American employers will need access to new, untapped, domestic labor pools, who will need to be skilled for high-demand jobs.

The president's *Make America Skilled Again* proposal rolls the major workforce programs under the U.S. Department of Labor into one block grant. The consolidation of the Workforce Innovation and Opportunity Act (WIOA) programs alone results in a 30 percent cut, representing about \$30 million reduction for the state of Washington.



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These investments show real results, including:

- The WIOA Adult program served more than 14,000 low-income job seekers in the 2023 fiscal year, Workforce Board research shows. Sixty-nine percent of participants were employed after a year, earning annual wages of \$47,000. Notably, after 10 years the <u>economic impact</u> ⁱ is \$318 million and the taxpayer return on investment is \$7 to \$1.
- The WIOA Dislocated Worker program served nearly 6,500 people in the 2023 fiscal year. Seventy-one percent of participants were employed after a year, earning annual wages of \$49,400. The 10-year economic impact was \$202 million, and the taxpayer return on investment was \$4.60 to \$1.
- Nearly 83,000 Washingtonians received job search assistance through the Wagner-Peyser program. Sixty-nine percent of participants were employed after a year, with annual earnings of \$43,900.

The demand for these successful programs outweighs the resources. The demand will be dramatically increased with the proposed changes to Medicaid and SNAP eligibility, not to mention Pell Grants. Our state needs more federal investment in workforce development services, not less.

Separately, one proposal would eliminate the Basic Education for Adults program, which served nearly 27,000 Washingtonians in the 2023 fiscal year. The program was allocated \$11.6 million.

These programs are delivering measurable results today. They equip displaced workers with indemand skills, prepare young people for future industries and provide formerly incarcerated individuals a meaningful pathway back into the workforce. These outcomes reduce reliance on public services and contribute to safer, more stable communities.

These cuts are too deep at precisely the wrong time. Automation, artificial intelligence, changing trade conditions and more continue to transform our economy. When workers are laid off or reentering the job market, that's when they need help the most.



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Now is not the time to reduce investments in workforce development. Washington employers consistently rank workforce challenges as one of their top concerns – not just in hiring, but in remaining competitive in rapidly evolving industries like energy, healthcare, advanced manufacturing and information technology. A skilled workforce helps all employers thrive.

In closing, we urge you to support fully funded workforce investments in the next federal budget. These investments will support a strong economy, now and in future years. Thank you for your continued partnership.

Sincerely,

Gary Chandler, Co-Chair, Business

Cherika Carter, Acting Co-Chair, Labor

Cc: Eleni Papadakis, Executive Director, Workforce Board Rose Minor, Director Federal and Interstate Affairs, Office of the Governor Members of the Workforce Board

ⁱ Program outcomes in terms of employment, earnings and economic impacts are tracked and reported in Workforce Training Results and posted on this dashboard accessed at this link: <u>WIOA Adult 2025 | Washington</u> <u>Workforce Training & Education Coordinating Board</u>