



The Honorable Lamar Alexander
Chairman
HELP Committee
US Senate
Washington DC 20510

October 9, 2019

Dear Chairman Alexander,

We write on behalf of the Opportunity America Jobs and Careers Coalition to express our appreciation and strong support for the workforce Pell provisions included in the Student Aid Improvement Act of 2019.

The Opportunity America Jobs and Careers Coalition is a Washington-based business group focused on job training and workforce development. Members include employers and employer associations from a broad range of industries experiencing skills mismatches and worker shortages – IT, manufacturing, construction, retail and hospitality, among others.

As representatives of business and industry, we see first-hand how the economy is changing, requiring greater skill and more sophistication – more education – from virtually all American workers.

Traditional blue-collar jobs are giving way to more skilled positions. There are fewer and fewer well-paying jobs for workers with only a high school diploma. But there is still robust demand for skilled noncollege workers – those with more than a high school education but less than a four-year college degree.

Skilled workers of this kind account for more than half the labor force. And according to one estimate, 25 percent of “good jobs” – those paying at least \$35,000 and on average \$55,000 a year – are held by Americans with postsecondary education and training short of a bachelor’s degree.

The challenge for the nation: how to provide the education and training these workers need to prepare them for well-paying jobs and the turbulent labor market predicted in years ahead?

No institution can do it alone. But innovative colleges – particularly, community colleges – are stepping up to address growing skills gaps. The best programs are developed by educators working with employers who know the skills in demand in their changing industries. Many offerings are shorter than a semester – ideal for students in a hurry to learn the skills they need to get a job or a better job.

Training is often offered in the more flexible, fast-moving continuing education division of the college. Many if not most programs prepare students to earn qualifications – industry certifications, technical certificates and licensure – highly valued in the labor market.

The problem: federal student aid isn't keeping up with this innovation. The Pell Grant program disbursed some \$28.2 billion last year in needs-based funding to cover tuition and other college costs. But under current law, Pell Grants are available only to students working to earn academic certificates or degrees, and they cover only programs that are at least a semester in length.

The upshot for students: those who can't pay their own way often have no access to the best job training available in their area.

The Improving Student Aid Act would begin to remedy this situation, making Pell Grants available to students enrolled in college job training programs shorter than a semester that lead to industry-recognized credentials and skills in demand in the labor market.

Only job training designed with input from employers would be eligible. Offerings would be required to lead to credentials in demand in the local labor market. Programs would have to meet quality assurance provisions that mirror those in the Workforce Innovation and Opportunity Act (WIOA).

Colleges would be required to track employment outcomes for up to a year after learners completed training programs, and the US Secretary of Education would be required to vouch for the quality of offerings before students could use Pell Grants to cover costs.

Still another important safeguard: programs would lose eligibility – and their students would no longer have access to Pell Grants – if tuition and fees grew faster than the rate of inflation.

Taken together, we believe, these provisions would provide ample protection for students and taxpayers. Less advantaged students would receive federal financial aid to cover education and training for high-skill, high-paying, in-demand jobs. But the increase in student aid would not inflate college costs, and only high-quality, cost-effective job training would qualify for funding.

Members of the Jobs and Careers Coalition thank you for including workforce Pell in the Student Aid Improvement Act, and we look forward to working with you and other lawmakers, Democrat and Republican, to enact this important reform.

Yours sincerely,

Opportunity America