

STATEMENT OF
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BEFORE THE
COMMITTEE ON HEALTH, EDUCATION, LABOR AND PENSIONS
UNITED STATES SENATE

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Chairman Kennedy, Ranking Member Enzi and Members of the Committee, thank you for the invitation to testify today. As the 25th Labor Secretary and the author of the Green Jobs Act (Title X of P.L. 110-140), I appreciate this opportunity to discuss the role of green jobs skills training for workers in the larger context of empowering our workforce to rebuild America's economy and promoting long-term competitiveness.

It is no secret that our economy is struggling. Real GDP declined at a 6.3 percent annual rate in the fourth quarter of 2008 and corporate profits fell at a 51 percent annual rate, the largest decline since 1953. Manufacturing employment is at an over 50-year low and businesses are having difficulty borrowing and meeting their payrolls.

Earlier this month, the Bureau of Labor Statistics (BLS) reported that the national unemployment rate reached 8.5 percent – the highest in 26 years. In many areas the situation is even more severe. In March, the unemployment rate was 11.2 percent in California, 11.4 percent in South Carolina, and 12.6 percent in Michigan. The rates of joblessness among minorities are even higher. Latinos are unemployed at a rate of 11.4 percent and African Americans are unemployed at a rate of 13.3 percent. Teens are unemployed at a rate of 21.7 percent. People with disabilities also are facing considerable challenges to securing employment. According to the BLS Current Population Survey's new monthly data series on the employment status of people with disabilities, the unemployment rate for this population is 13.1 percent (not seasonably adjusted) and their labor participation rate is 22.8 percent compared with 70.9 percent for persons without disabilities.

Our nation has lost 5.1 million jobs since the recession began in December 2007. The number of long-term unemployed (those jobless for 27 weeks or more) rose to 3.2 million over the month of March and has increased by about 1.9 million since the start of the recession. Investing in our Nation's workforce and creating a positive environment for new jobs is a critical component of our efforts to restart our economy.

Green jobs play an important role in our economic recovery. The promise of green jobs is not only to help re-start the economy and put Americans back to work, but also to help make America more energy independent. Investment in our Nation's clean energy future will not only secure America's energy supply, but will do so in ways that promote economic stability and the advancement of all our communities.

For instance, many green jobs are in the construction trades, and these jobs tend to pay above average wages. The May 2007 Occupational Employment and Wage Estimates published by BLS indicate that construction and extraction occupations pay a median hourly rate of \$17.57 as opposed to \$15.10 for all occupations. Therefore, we can expect that many green jobs will pay 10 percent to 20 percent better than other jobs. In addition, data from the Current Population Survey published by BLS indicate that 21 percent of construction and extraction workers were represented by a union in 2008, which suggests that many green jobs will be unionized. These are jobs that will provide economic security for our middle-class families while reducing our Nation's dependence on imported energy. These are also jobs that traditionally cannot be outsourced. Small businesses will play an important role in hiring skilled workers to grow the green economy.

The American Recovery and Reinvestment Act of 2009 (Recovery Act), signed by President Obama on February 17, 2009, is the most significant single investment our Nation has ever made to ensure our future economic success. The Recovery Act will enable the repair and improvement of the country's infrastructure, fund innovative research and development initiatives, create job opportunities for Americans, and propel the growth of green jobs. The Recovery Act also contains funding for training, a significant portion of which will be used for training in sectors and industries identified as high growth, including green jobs. This training will improve workers' employment opportunities in occupations that pay good wages.

Across the Federal government, billions of dollars have already been distributed to the States for investments in infrastructure and research and development that will create opportunities for green job growth. For its part, the Department of Labor's Employment and Training Administration (ETA) has already made available \$3.47 billion in Recovery Act funds to support workforce investment activities. Such activities include retraining dislocated workers, summer employment for youth, and community service employment for low-income seniors.

The Department of Labor is developing plans for use of the \$500 million provided in the Recovery Act for research, labor exchange and job training projects that prepare workers for careers in energy efficiency and renewable energy industries, and will soon issue solicitations for grant applications to be administered by ETA. These grants will provide an infusion of workforce training funding that will help ensure there is a qualified American workforce ready to meet the needs of our country's expanding green industries. Department of Labor personnel are developing guidance for solicitations, which will include requirements for community engagement, the formation of strong local and regional partnerships, as well as the identified leveraging of additional funds. The Departmental review criteria will ensure that the grants are awarded to those applicants who are most responsive to these requirements for collaboration, with the objective of effectively targeting the communities most in need through our "green training" investments.

The unemployment data show that particular segments of the population – young people, people with disabilities, African Americans, and Hispanics – are facing unemployment rates in the double digits. Green jobs provide an opportunity to rebuild our communities in a more equitable manner which is inclusive of all Americans regardless of socio-economic background. In order

to realize this opportunity, the Department will include features to prioritize access and inclusion in these training programs for low-income workers, unemployed youth and adults, high school dropouts, or other underserved sectors of the workforce within areas of high poverty. These represent some of the communities hardest hit by this recession, and they too will have an opportunity to benefit from green jobs in our economic recovery. We hope to have the first round of solicitations available in June 2009.

We can also promote green jobs across all workforce investment programs. The Department of Labor has already begun some of these efforts. The Department recently issued guidance to States to help implement the formula funded job training provisions of the Recovery Act, noting that the energy efficiency and renewable energy industries offer workers new opportunities that may require additional training and certification. Through the Recovery Act, a number of other Federal programs will receive large investments in programs and projects that could create green jobs. These initiatives include investments in renewable energy infrastructure, energy-efficiency home retrofitting, biofuel development, and advanced drive train/vehicle development and manufacturing. As States receive Recovery Act funding and implement training and reemployment strategies, the Department encourages States to recognize opportunities to prepare workers for green jobs related to these other sources of Federal funding.

The Department has also encouraged States to expand existing training programs, such as registered apprenticeship programs that have the potential to prepare workers for careers in the renewable energy sectors and for other green jobs. The Department's guidance has encouraged States to identify regional and local environmental resources, businesses, and pre-apprenticeship programs promoting green jobs and projects to provide youth summer work experiences that prepare them to compete in a "green" economy. With green jobs workforce training, we will ensure that America's workers have the needed experience and expertise to succeed in the green economy.

We are working throughout the Department of Labor to leverage resources responsibly within existing government programs to promote green jobs. Some examples of action include:

- The Office of Apprenticeship within the Employment and Training Administration announced funding on February 17, 2009, to support 10 – 20 grants to fund the development and/or adaptation of national guideline standards for apprenticeships. I am pleased that this SGA also highlighted green jobs as an eligible activity.
- The Veterans' Employment and Training Service (VETS), whose mission it is to provide veterans and transitioning service members with the resources and services needed to maximize their employment opportunities, will soon release an SGA, which will highlight green jobs for the purposes of training and employment.
- BLS is currently developing approaches to measure green jobs, including surveying workplaces in industries where green activity is expected to occur to identify both the extent to which they are performing green activities and the occupations of the employees who are doing such work. Occupational research specialists within ETA have also begun

to define green jobs, review current green investments, and understand how new green technology materials will affect occupational requirements.

- Future construction and repair of Job Corps facilities will incorporate green technologies. Job Corps will also develop and implement green jobs training into the curricula at all Centers, beginning with automotive maintenance, construction, and manufacturing.

Furthermore, I am very interested in “greening” the Department of Labor’s workforce system to ensure that the system and its partners are fully connected and fully committed to sustaining the green economy in both current jobs and emerging occupations. Some of our initial ideas include promoting green jobs through technical assistance, greening the State and local workforce investment system, registered apprenticeship, YouthBuild, Job Corps, opportunities for veterans and people with disabilities, and more. Community organizations, both secular and faith-based, can be important partners in our efforts, as well as labor-management partnerships, employers, community colleges, and post-secondary education institutions. Activities coordinated with these partners could include approaches such as on-the-job and classroom skill training, alternative delivery methods (such as evening and weekend programs as well as computer-based training), and customized industry training which leads to recognized vocational and industry certificates or credentials.

Our green jobs workforce training efforts will be even more effective in aiding our global economic recovery if we work together with our partners within the U.S. Government and around the world. Two weeks ago, I participated in the meeting of the G-8 Labor Ministers, which focused on the human perspective of the economic crisis. In each plenary session I attended and in each of my bilateral meetings, my fellow labor ministers raised the topic of green jobs. Some of them are further ahead in terms of their economic transitions, others are not. Two things became clear from these conversations. First, we must work globally to address this economic crisis. Second, green jobs are an important component of our global economic recovery and the world is looking to the U.S. for leadership. The message I delivered was well received – as a newly confirmed Secretary of Labor I was there to listen, learn, and help lead to bring about the change we need. This includes working locally and globally to advance a green economy.

My colleagues in the Cabinet and I recognize that our investments cannot be made in a vacuum. The Department of Labor and other Federal agencies have already begun to coordinate our work to strategically implement programs that ensure cooperative interactions between investments in infrastructure and research and development on one side and job training and worker placement on the other. My staff, along with others throughout the Federal government, is meeting regularly to discuss green jobs issues and identify ways in which we can partner to leverage resources and avoid duplication. I am pleased to provide you with a few examples of such discussions and partnerships:

- In February, Vice President Biden’s Middle Class Task Force, of which I am a proud member, traveled to Philadelphia to focus on green jobs as a central part of economic recovery. This event and the work of the task force have helped facilitate ongoing discussions between DOL and other Federal agencies, which are detailed below.

- In March, I traveled to the Community College of Allegheny County in Pennsylvania with Secretary of Energy Chu for the announcement of a major new investment to create green jobs. Secretary Chu's staff and mine are speaking regularly to leverage investments in weatherization and ensure that workers hired for new jobs in weatherization receive proper training – it is imperative that these jobs be good jobs.
- My staff is meeting regularly with staff of Secretary of Housing and Urban Development Donovan with the goal of creating a memorandum of understanding that will allow our Departments to encourage and more easily facilitate partnerships between public housing administrators and Workforce Investment Boards. It is our hope that such a partnership could not only encourage the greening of public housing but also promote the training and hiring of unemployed residents of such housing.
- During a visit to job training sites for youth and veterans in Sacramento and San Francisco, I visited the San Francisco regional office, which is located in the greenest Federal building in the nation. I know it will be important for us to lead by example and have begun initial communication with GSA to help green our Federal buildings.

I am interested in working closely with Secretary of Veterans Affairs Shinseki to facilitate the entrance of veterans into green jobs as part of their transition into the civilian workforce. Secretary Shinseki and his staff can be helpful in identifying the Department of Labor as an important resource for employment services for veterans and transitioning service members. Secretary Shinseki can also focus the VA's Vocational Rehabilitation and Employment Service on training opportunities for disabled veterans pursuing a program of rehabilitation. In addition, I will work closely with Secretary of Education Duncan to discuss the role that adult education system and community colleges can play in vocational rehabilitation and the training of our workforce.

I am eager to begin partnering outside of the Federal government to ensure that communities suffering in the recession benefit from green jobs training. Just last week, the Institute for Women's Policy Research and Wider Opportunities for Women met with the staff of the Women's Bureau to discuss opportunities for women in green jobs. I am pleased to be holding a round table on the issue of women in green jobs on Earth Day and am excited to work closely with those in both the public and private sector to ensure that our efforts complement the productive work that I know many in both sectors are advancing.

There could be future linkages between green jobs and the recovery of communities hit hard by layoffs. Workers can be retrained and re-equipped to contribute to the growing of the green economy. One example is in the U.S. automotive industry. The Department of Labor is playing a vital role in supporting the economic recovery of communities that depend on car manufacturers and related industries. Many of these communities are passionate about green jobs being a part of their future economic success, and the Department of Labor will work with these communities to ensure they not only survive but thrive in our country's recovery.

I am also eager for staff to meet with key apprenticeship stakeholders and other business leaders to discuss the impact of an emerging green economy on registered apprenticeship. I appreciate that employers and manufacturers in these sectors have much to offer as do Members of this Committee in this regard.

At our recent Middle Class Task Force meeting in Philadelphia, Vice President Biden stated that “we’ll measure our success, whether it’s four years or eight years by one thing: If we can raise the standard of living for middle-class people.” We cannot ignore the disconnect that persisted between economic growth and middle-class incomes even when the economy was strong. I am committed to ensuring that both diversity and inclusion are reflected in the Federal funding of green jobs workforce training.

While we deal in facts, figures, and charts, we must remember that behind the “numbers” of the economic downturn and the economic recovery are human faces, people, facing challenges unlike what many have faced in our lifetime. I believe that green jobs, if implemented correctly, can be an opportunity for the Nation to regain economic security. I thank you for your time and look forward to our dialogue on this matter.