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Congress of the United States
House of Representatives

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January 20, 2012

The Honorable Hilda Solis
Secretary of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Dear Madam Secretary:

When you testified before the Committee on Oversight and Government Reform (“Committee”) on September 22, 2011, you praised the Department of Labor’s (“DOL”) green jobs training program and said it was exhibiting “good results.”¹ However, evidence has come to the Committee’s attention that shows grants administered through this program have fallen appallingly short of meeting their objectives. Additionally, questions have been raised about the process by which these grants were disbursed. The American people have a right to know why DOL allowed for such poor stewardship of taxpayer funds.

The DOL received \$500 million in taxpayer funds for grants dedicated to training people for “green jobs” via President Obama’s 2009 stimulus.² According to the latest audit from the Office of the Inspector General (“IG”) at the DOL, so far only 8,035, or *10 percent*, out of the targeted 79,854 individuals, have been placed into jobs.³ Even worse, only 1,336, or *two percent*, of the 69,717 targeted individuals have retained employment for more than six months.⁴ These results are extremely disappointing given the amount of money taxpayers invested in this program. Here are a few more examples of the abysmal results demonstrated by recipients of taxpayer funding for green jobs training:

- Healthcare Advancement Program, Inc. was awarded \$4,637,551 with a target of training 3,420 people, 2,852 of whom were predicted to enter the workforce with all of those employees retaining employment for at least six months. Although the organization has so far expended over \$1.6 million of its grant, as of yet not a single person has completed

¹ Testimony of Department of Labor Secretary Hilda Solis, House Committee on Oversight and Government Reform, September 22, 2011.

² Department of Labor, Training And Employment Notice No. 44-08, “American Recovery and Reinvestment Act of 2009 Competitive Grants for Green Job Training.” May 15, 2009.

³ “Recovery Act: Slow Pace Placing Workers Into Jobs Jeopardizes Employment Goals of the Green Jobs Program,” U.S. Department of Labor, office of Inspector General, September 30, 2011. Page 3. Available at: <http://www.oig.dol.gov/public/reports/oa/2011/18-11-004-03-390.pdf>.

⁴ *Id.*

training or entered the workforce, and only 371 of a proposed 3,472 people have even enrolled in the training program.⁵

- The Blue Green Alliance was awarded \$5,000,000 with a target of 1,650 individuals completing training, 1,000 of whom would enter and retain employment for at least six months. The organization has so far spent nearly \$3 million with only 983 individuals completing training, 228 entering the workforce, and 16 retaining employment for longer than six months.⁶
- The Alabama Department of Economic and Community Affairs was awarded \$6 million to train a proposed 1,442 people, of whom 1,150 would enter the workforce and 900 would be retained. The Department has spent over \$1.6 million so far, and was only able to train 324 people, of whom 32 entered the workforce and zero were retained.⁷
- The Thomas Shortman Training Scholarship and Safety Fund was awarded \$2,802,269 to train 1,900 people, all of whom were predicted to enter the workforce and be retained. After spending over \$1.3 million so far, 1,256 completed training and only eight entered the workforce, none of whom were retained.⁸
- The International Transportation Learning Center was awarded \$5 million to train 3,276 people, of whom 3,095 would enter the workforce and 2,912 would be retained. In reality, the organization has so far expended over \$1.7 million and trained under half of its proposed target, none of whom gained employment.⁹
- The Pathstone Corporation was awarded \$8 million to train 660 people, 616 of whom would enter the workforce and be retained, however after so far spending over \$2.3 million only 25 ever completed the training and 22 gained initial employment, zero of whom were retained.¹⁰

It is not just private organizations that have failed to meet targets; state and local governments have also fallen woefully short. For example, Workforce West Virginia was awarded \$6 million to train 1,749 people, with 1,568 entering the workforce with 1,465 retained.¹¹ The organization, after spending over \$1.3 million, trained only 452 people, 117 of whom entered the workforce with zero being retained.¹² The Maryland Department of Labor, Licensing and Regulation was awarded \$5,793,183 to train 1,833 people, of whom 1,714 would

⁵ *Id* at 26.

⁶ *Id* at 26.

⁷ *Id* at 19.

⁸ *Id* at 28.

⁹ *Id* at 27.

¹⁰ *Id* at 24.

¹¹ *Id* at 22.

¹² *Id*.

enter the workforce and 1,484 would be retained.¹³ The Department spent \$1,156,316, to train only 313 people, of whom zero entered employment.¹⁴

Your Department's IG went so far as to conclude "there is no evidence that grantees will effectively use the funds and deliver targeted outcomes by the end of the grant periods."¹⁵ The IG recommended that any funds determined not to be needed be "recouped as soon as practicable and to the extent permitted by the law so they can be available for other purposes."¹⁶

Aside from the failing results exhibited by individual grantees, another issue in question is the high variance in the cost-per-trainee, as grant sizes do not appear to follow a specific pattern.¹⁷ For example, the Lehigh Valley Workforce Investment Board, Inc.¹⁸ was awarded \$4 million to train a proposed 100 people, but the Los Angeles College District was given the same amount to train 878 people.¹⁹ The Utility Workers Union of America AFL-CIO was awarded \$4.9 million to train 672 people,²⁰ while the Blue Green Alliance was granted \$5 million to train 1,650,²¹ the Healthcare Advancement Program, Inc. was awarded \$4.6 million to train 3,420,²² and the International Transportation Learning Center was awarded \$5 million to train 3,276.²³ Such disparate per-trainee costs suggest that there was little structure or clear standards for determining the size of grants.

You stated in testimony before the Committee, "we know that there's a need, there's an interest, and these were a combination of industry working with communities and community colleges. So there is a great need, we are sorely underfunding in my opinion these kinds of efforts, we have to have a better trained workforce."²⁴ However, given that the DOL was equipping people with skills for which there are little to no sustainable job placements, it seems that there is a negligible amount of demand for these skills from employers. In fact, it seems reasonable to conclude that many individuals who have partaken in green jobs training are worse off than they would have been had they spent that time acquiring worthwhile skills or searching for real and sustainable employment that is valued in the marketplace.

Possibly the most troubling aspect of this program is that politics may have played a role in DOL's distribution of money. For instance, the National Council of La Raza ("NCLR"), an advocacy group, was awarded \$3,063,839.²⁵ NCLR proposed that it would use this funding to

¹³ *Id* at 20.

¹⁴ *Id*.

¹⁵ *Id* at

¹⁶ *Id*.

¹⁷ This high variance is evident even when accounting for the different types of grants (Pathways, SEPS, ETP, etc.).

¹⁸ *Id*.

¹⁹ *Id* at 23.

²⁰ *Id* at 28.

²¹ *Id* at 26.

²² *Id*.

²³ *Id* at 27.

²⁴ Testimony of Department of Labor Secretary Hilda Solis, House Committee on Oversight and Government Reform, September 22, 2011.

²⁵ "Recovery Act: Slow Pace Placing Workers Into Jobs Jeopardizes Employment Goals of the Green Jobs Program," U.S. Department of Labor, office of Inspector General, September 30, 2011. Page 24.

provide green jobs training for 241 individuals, of which 139 would enter training-related employment.²⁶ However, data through November 30, 2011, two years into the grant period, shows that NCLR has only placed 55 individuals into training-related employment.²⁷ The Obama Administration has very close ties to NCLR. At least 19 officials from the Obama Administration, including yourself and the President, have participated in events, panels, workshops, or speaking engagements with the NCLR since taking office.²⁸ When the President spoke to the NCLR in July, he stated, "I should thank [the NCLR] because I have poached quite a few of your alumni to work in my administration. They're all doing outstanding work.... [W]e couldn't be prouder of the work that so many folks who've been engaged with La Raza before, the handiwork that they're doing with our administration."²⁹ Furthermore, a former Vice President of the NCLR, Cecilia Muñoz, has just been promoted within the White House from Director of Intergovernmental Affairs to the director of the Domestic Policy Council.³⁰ Given your close ties to this organization and the dismal results of the NCLR's performance in the green jobs program, the Committee is left with the perception that this grant may have been given for reasons other than the strength of the NCLR's ability to train individuals for green jobs.

Another example of questionable political entanglement is the Blue Green Alliance ("BGA"), an advocacy group representing a coalition of labor unions and environmental groups working to help the passage of major legislative initiatives of the Obama administration and was awarded \$5 million for green jobs training.³¹ Their website currently states that they are working to pass the following legislation: Comprehensive Climate Change and Energy Legislation, the Employee Free Choice Act, and Renewable Electricity and Energy Efficiency Standards.³² Early in 2009, they were co-participants in a series of advertisements arguing for the passage of a cap on carbon dioxide under the slogan, "carbon caps equal hard hats."³³ In addition to their political activity, the BGA's website declares that they offer "a range of educational programs addressing global warming solutions and the green economy. We also train working people, environmentalists and other partners to build alliances and to win on issues that will help create good, sustainable green jobs" (emphasis added).³⁴ Given the BGA's dismal performance with

²⁶ Letter from representatives of the NCLR to Rep. Darrell Issa, Chairman, Committee on Oversight and Government Reform, December 16, 2011.

²⁷ *Id.*

²⁸ The White House, "Background on President Obama's Address at NCLR Annual Conference Luncheon." July 25, 2011. Available at <<http://www.whitehouse.gov/the-press-office/2011/07/25/background-president-obama-s-address-nclr-annual-conference-luncheon>>.

²⁹ Remarks by President Barack Obama to the National Council of La Raza, Marriott Wardman Park Hotel Washington, D.C. July 25, 2011.

³⁰ Change.gov, "President-Elect Barack Obama names two new White House staff members," Available at <<http://change.gov/newsroom/entry/president-elect-barack-obama-names-two-new-white-house-staff-members/>>

³¹ "Recovery Act: Slow Pace Placing Workers Into Jobs Jeopardizes Employment Goals of the Green Jobs Program," U.S. Department of Labor, office of Inspector General, September 30, 2011. Page 26.

³² Blue Green Alliance, "About the BlueGreen Alliance," Accessed November 30, 2011. Available at <http://www.bluegreenalliance.org/about_us?id=0001>.

³³ Don Hopey, "Proposed controls on carbon emissions could mean jobs," Pittsburgh Post-Gazette. April 22, 2009. Available at <<http://www.post-gazette.com/pg/09112/964502-113.stm>>.

³⁴ Blue Green Alliance, "About the BlueGreen Alliance," Accessed November 30, 2011. Available at <http://www.bluegreenalliance.org/about_us?id=0001>.

green jobs training funds³⁵ and its political and policy mission it is unclear whether the group is using green jobs training funds to teach people how to better advance a political agenda.

To help the Committee better understand the manner in which taxpayer funds were used, I request the following information as soon as possible, but no later than noon on February 1, 2012:

1. All communications between DOL personnel and the Blue Green Alliance and their affiliates referring or relating to green jobs between January 21, 2009, and January 18, 2012, including handwritten notes.
2. All documents between DOL personnel referring or relating to the Blue Green Alliance between January 21, 2009, and January 18, 2012, including handwritten notes.
3. All communications between DOL personnel and the National Council of La Raza and its affiliates referring or relating to green jobs between January 21, 2009, and January 18, 2012, including handwritten notes.
4. All internal documents referring or relating to the National Council of La Raza between January 21, 2009, and January 18, 2012, including handwritten notes.
5. A full and complete explanation of all discussions between DOL personnel in the Office of the Secretary with the National Council of La Raza referring or relating to federal grants, including but not limited to federal assistance for green jobs training.
6. All communications between the Department of Labor and Cecilia Muñoz between January 21, 2009, and January 18, 2012, referring or relating to green jobs.
7. A full and complete explanation of the taxpayer funded green jobs training offered and provided by DOL grantees and their affiliates, including the types of occupations for which green training is offered.
8. A full and complete explanation of the definition of a “green job” that guided the DOL’s Green Jobs program training grants and a list of all occupations that would count as “green” for the purposes of understanding employee placements.
9. A full and complete list of all outside organizations the Department of Labor consulted with before implementing the Green Jobs program.
10. In your testimony, you stated that part of the Green Jobs program is focused on individuals with criminal records.³⁶ Please provide evidence that this program has served individuals with criminal records.

³⁵ “Recovery Act: Slow Pace Placing Workers Into Jobs Jeopardizes Employment Goals of the Green Jobs Program,” U.S. Department of Labor, office of Inspector General, September 30, 2011. Page 26.

³⁶ Testimony of Department of Labor Secretary Hilda Solis, House Committee on Oversight and Government Reform, September 22, 2011.

11. With *none* of the Green Jobs program grant recipients meeting even half of their targets – and many having placed zero trainees into jobs – over halfway into the grant period, has DOL taken any actions to retrieve unused taxpayer funding?
12. In your testimony, you stated that you expect the program to eventually serve “about 100,000 [people].”³⁷ Even if the program is able to achieve this seemingly optimistic goal, it would be only 80 percent of the stated target of serving 124,893 individuals. Does this mean you expect the program to fall short of its target?
13. Given that while 8,035 people have entered employment and only 1,336 individuals have retained employment for more than six months, do you agree that the data indicate that where green jobs do exist, they are temporary and therefore not a means to put millions of Americans back to work?
14. According to your testimony, as of June 30, 2011, “26,000 workers have completed training and about 15,000 who were unemployed workers and 11,000 who were what we call incumbent workers, so they had jobs but were being trained in our programs as well. And over 22,000 have received a credential. And I would say that approximately half of that 15,000 or so did get new jobs, and we’re tracking that as we continually roll along here, and what we’re finding is the average cost to provide the training averages again about the cost it would be to attend a community college.”³⁸ This statement has raised a few questions and concerns:
 - a. With 14 million Americans unemployed, why is the DOL prioritizing funding training for people that already have jobs?
 - b. According to the DOL IG’s office, as of June 30, 2011, DOL green jobs training has led to job retention for 1,336 individuals with \$162.8 million expended.³⁹ This comes out to a cost of \$121,856 per trainee retaining a job. Is this cost acceptable to the DOL?
 - c. Do you have evidence to suggest that the skills acquired by the average Green Job program trainee are as marketable as the skills acquired by the average graduate of a community college?
15. In your testimony, you stated, “We are starting to see some good results from our Recovery Act Investments, and as of June 2011, over 52,000 people have participated in our green training grant programs. We expect to eventually serve about 100,000. And about 60% of those participants were unemployed when they started training. The rest had jobs, they’re known as incumbent workers, but needed training to ensure that they could keep their jobs. To date, well over 26,000 participants have completed their

³⁷ *Id.*

³⁸ *Id.*

³⁹ “Recovery Act: Slow Pace Placing Workers Into Jobs Jeopardizes Employment Goals of the Green Jobs Program,” U.S. Department of Labor, office of Inspector General, September 30, 2011. Page 3.

training, and more than half of them, who didn't have a job when they started training now do. As these grants progress, we know that these numbers will increase."⁴⁰

- a. Please provide the data showing that 60 percent of those participants were unemployed.
- b. Please provide data showing that "the rest" needed training to ensure they could keep their jobs.
- c. Given the aforementioned evidence that you underestimated the market demand for green skills, how do you know that "these numbers will increase"?

16. In your testimony you stated, "The Department is upholding the administration's commitment to accountability, transparency in the programs. We continuously monitor our green investments to make sure that they're achieving all of their objectives, but I would like to underscore because I know my time is running out, is that we do everything we can to help provide better monitoring tools. We do that on a regular basis, and if we do find that there are issues or problems then we will assign staff at the national level and regional level to oversee to make sure that we get on course."⁴¹

- a. Please provide a full and complete explanation of the monitoring tools employed by the DOL to oversee the Green Jobs program.
- b. Please provide all monitoring reports and related materials pertaining to the Green Jobs program.
- c. Many of the grantees have displayed horrible stewardship of taxpayer funding. Please provide a full and complete explanation of any times DOL staff have been deployed to oversee a specific grant as a result of problems being identified by your monitoring tools.
- d. Despite your claims of transparency and accountability, grantee data on Green Jobs program has only been made available by the IG. As part of the self-proclaimed "most transparent administration in history" will you commit to making public all monitoring reports and data related to the Green Jobs program as it becomes available?

17. Former Solyndra employees are receiving Trade Adjustment Assistance as a result of the Administration attributing Solyndra's bankruptcy to unfair trade practices.⁴² However, employees of Solyndra seemingly already have acquired green skills, which you contend are in high demand by employers. If this is, in fact, the case, why would Solyndra

⁴⁰ Testimony of Department of Labor Secretary Hilda Solis, House Committee on Oversight and Government Reform, September 22, 2011.

⁴¹ *Id.*

⁴² Staff Report, "Ex-Solyndra employees eligible to receive \$14.3 million in Trade Adjustment Assistance funds," San Francisco Examiner, November 22, 2011. Available at <<http://www.sfexaminer.com/opinion/dim-bulb/2011/11/ex-solyndra-employees-eligible-receive-143-million-trade-adjustment-assista#ixzz1fE6C2nqZ>>.

The Honorable Hilda Solis

January 20, 2012

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employees need the retraining and employment services offered via Trade Adjustment Assistance?

The Committee on Oversight and Government Reform is the principal oversight committee of the House of Representatives and may at “any time” investigate “any matter” as set forth in House Rule X.

When documents are produced to the Committee, production sets should be delivered to the Majority Staff in Room 2157 of the Rayburn House Office Building and the Minority Staff in Room 2471 of the Rayburn House Office Building. The Committee prefers, if possible, to receive all documents in electronic format. In preparing your answers to these inquiries, please answer each question individually and include the text of each question along with your response.

Please contact Tyler Grimm or Mike Whatley of the Committee staff at (202)-225-5074 with any questions about this request. Thank you for your attention to this matter.

Sincerely,



Darrell Issa
Chairman

cc: The Honorable Elijah E. Cummings, Ranking Minority Member