

News From Washington *Summer Edition*

Funding: WIA and Pell Grants

Before adjourning for its August recess, the House approved the Labor-HHS-Education Appropriations bill on a 264 to 153 vote and the Senate Appropriations Committee approved its version for full Senate consideration after the Labor Day break. Both bills essentially level fund WIA's three main funding streams.

- Adult programs are funded at \$861.5 million, the same as the current year
- The House funds Dislocated Workers at \$1.399 billion and the Senate at \$1.413 billion, both are slightly higher than in the current fiscal year
- Both houses fund Youth Programs at \$924 million, the same as in the current year

For the most part, funding increases come in small dollar programs that utilize competitive funding procedures. These include a Career Pathways Innovation Fund (which will include grants to community colleges and partnerships with local adult education to train nurses, medical technicians and others for skilled jobs in the health industries), YouthBuild, training for careers in “green” industries, a new Transitional Jobs employment strategy to help hard-to-employ, non-custodial parents and ex-offenders enter the workforce, and a community service jobs program.

Both bills provide small increases for Job Corps as the House authorizes \$1.705 and the Senate \$1.711 billion. Pell Grant funds are increased by \$498 million so as to provide a maximum award for FY' 10 of \$5,550 (this year's maximum was \$4,860).

Following Senate approval, a conference committee will come to a final agreement as to funding for each program. A bill for the President's signature is expected prior to the end of the fiscal year (September 30).

Attached is a detailed chart on the current funding situation.

WIA's Long and Winding Road to Reauthorization

While a few members of Congress still talk as though WIA reauthorization will happen this year, committee staff now recognize and agree that WIA will be carried over to next year. Career staffers at the U.S. Department of Labor have indicated that DOL will issue a white paper on broad principles for the workforce development system later this year. Some insiders expect that a bill or two will be floating around in draft form later this year.

Although action this year seems unlikely, key decisions about the future shape (and name) of WIA could begin to solidify this year. Members of Congress will be home for the next few weeks. The workforce development community needs to promote the successes of the workforce system, including the summer jobs effort, during this period.

President's Community College Proposal

A few weeks ago, President Obama garnered extensive press coverage for a proposal to increase community college access and graduation rates through a \$12 billion, ten-year program some describe as a community college reform effort. Some workforce observers view the proposal as the first salvo in an effort to move most workforce programs to the community college system. That outcome seems unlikely, at least at this point (although given the federal budget deficit, every new program puts pressure on the future funding for existing domestic programs). The White House proposal, made up mostly of competitive grants, includes: (1) challenge grants to spur reforms at community colleges such as improved business and WIB partnerships and better adult and remedial education training; (2) a fund to promote innovative strategies that increase graduation rates; (3) funds to modernize community college facilities; and (4) grants to support the development of an on-line skills training laboratory.

Unlike WIA, this proposal has been developed into a bill and has already been approved by the House Education and Labor Committee as part of H.R. 3221, the Student Aid and Fiscal Responsibility Act. The overall bill includes authorization of the Pell Grant increases noted above and makes significant changes in the student loan program (which in theory will save most of the money needed to pay for these programs). Note that the bill must yet pass the full House and gain approval in the Senate.

ARRA Update

At the annual conference of the National Conference of State Legislators (NCSL) in Philadelphia, Assistant Secretary for Employment and Training Jane Oates (see below) emphasized in strong language that ARRA funds must be spent sooner than later. She also noted that spending for regular PY'09 must stay on course. Congress will look at spending as one indicator of whether the current workforce system needs major overhaul or fine tuning, according to Oates (and many others). DOL staffers seem reasonably confident that ARRA youth funds are being spent in a timely manner, primarily through the summer jobs program. They point out that the system operated a billion dollar summer program ten years ago when the minimum wage was about half of what it is today as a reason for optimism. DOL and Hill staff are more concerned about expenditures under the Dislocated Worker program since local WIBs have focused on summer and often transfer major portions of DW money to the Adult program. Efforts to get Congress to authorized money for another program in the summer of 2010 are underway. Some insiders believe that the chances are very good and some even predict that the WIA reauthorization will include a permanent summer program. We shall see.

Do Recent Bills Suggest Changes to WIA?

Legislation was introduced last week in the House and the Senate to provide \$915 million in federal grants for job training programs to close the gap between skills that high school and college students have at graduation and the skills employers want. Identical bills were introduced by Senator Patty Murray (D-WA) and by Representative John Tierney (D-MA).

These bills would provide federal funding, through states, to communities that build coalitions among employers, schools, workforce experts, and others to give students the skills to find family-wage employment in various industries in their communities including health care, construction, aerospace, energy, and others.

Along similar lines, Senators Debbie Stabenow (D-MI) Sherrod Brown (D-OH), Al Franken (D-MN), and Kristen Gillibrand (D-NY) introduced the Reengaging Americans in Serious Education by Uniting Programs Act (RAISE UP). The legislation provides targeted support to youth who have dropped out of high school, so they can attain a diploma, a post-secondary credential, and a family-supporting career.

Will these bills pass as stand alone efforts. Probably not. However, some of the goals and programmatic elements of these bills could well find their way into WIA reauthorization.

Unemployment Insurance Extension?

Leading Democrats are discussing legislation to keep extended unemployment benefits running through December 31, 2010 (the existing authorization expires on December 31, 2009). The number of long-term unemployed (those jobless 27 weeks or more) reached 5 million in July. The average weekly duration on unemployment is 25 weeks, an historic high. The National Employment Law Project projects that unemployment benefits will expire for 1.5 million recipients by year's end.

New Faces at ETA

New faces at ETA aren't exactly new as they go back to the passage of WIA, the operation of JTPA and for some even the days of CETA. As noted above, **Jane Oates** has been confirmed as Assistant Secretary of the Employment and Training Administration. She has now announced that **Gerri Fiala** will be her Deputy Assistant Secretary. Meanwhile, **Grace Kilbane**, the Regional Administrator in Boston—who has been on temporary assignment as part of the DOL transition team in the Secretary's Office—will be staying on in DC as director of the regional offices. Earlier this year **Brian Kennedy** was confirmed as Assistant Secretary for Congressional and Intergovernmental Affairs at DOL. Brian then hired **Teri Bergman** as Associate Assistant Secretary in his office. Finally, **Dr. Esther Johnson** will be leaving her post as National Director of the Office of Job Corps. No replacement has been named. **Lynn Intrepidi**, the Regional Job Corps Director in Philadelphia, will take over on an interim basis.

Oates most recently served as a senior advisor to New Jersey Governor Jon Corzine and executive director of the New Jersey Higher Education Commission but she is best known for her work on WIA as the senior staff member for workforce development and education on Senator Kennedy's HELP Committee. Fiala once worked for CETA in Lansing, Michigan and has worked for TATC, (a private workforce contractor), the American Association of Community Colleges (AACCC), the National Center on Education and the Economy (NCEE) and

DOL. Most recently, she served as Staff Director to the WIA authorizing Subcommittee on Employment and Workplace Safety, chaired by Senator Patty Murray (D-WA). Kilbane has very broad experience at DOL; she left the Ohio Bureau of Employment Services to take a regional office job and since then has worked on Unemployment Insurance, Trade Adjustment, WIA, National Director of Job Corps, and more. Kennedy was responsible for JTPA programs for the late Senator Paul Simon when he chaired the authorizing subcommittee. Kennedy worked in the Office of Job Corps in the Clinton era and most recently for the House Education and Labor Committee. Bergman has worked for the AFL-CIO Working for America Institute and most recently for Chairman Dave Obey on the House Appropriations Committee. All in all, the new folks know WIA, the employment service, workforce development and the legislative history behind these programs and issues very, very well.

WIA and Related 2009 Funding As of Summer Recess

| <i>US Department of Labor (USDOL)</i> | | | | | |
|---|----------------|---------------------|------------------------|---------------------------|----------------------------|
| <i>Employment and Training Administration (ETA)</i> | | | | | |
| <i>(in thoudands)</i> | | | | | |
| Program | FY 2009 | Recovery Act | FY 2010 Request | FY 2010 House Bill | FY 2010 Senate Bill |
| Adult | 861,540 | 500,000 | 861,540 | 861,540 | 861,540 |
| Dislocated Workers | 1,341,891 | 1,450,000 | 1,413,000 | 1,398,891 | 1,413,000 |
| Youth Activities | 924,069 | 1,200,000 | 924,069 | 924,069 | 924,069 |
| Green Jobs Innovation Fund | 0 | 500,000 | 50,000 | 50,000 | 40,000 |
| Workforce Data Quality | 0 | 0 | 15,000 | 15,000 | 12,500 |
| Reintegration of Ex-Offenders | 108,493 | 0 | 115,000 | 108,493 | 115,000 |
| Career Pathways Innovation Fund | 125,000 | 0 | 135,000 | 130,000 | 125,000 |
| Pilots, Demonstrations and Research | 48,781 | 0 | 57,500 | 66,990 | 82,449 |
| Evaluations | 6,918 | 0 | 11,600 | 9,600 | 11,600 |
| Indian and Native American Programs | 52,758 | 0 | 52,758 | 52,758 | 52,758 |
| Migrant and Seasonal Farmworkers | 82,620 | 0 | 82,620 | 84,620 | 84,620 |
| YouthBuild | 70,000 | 50,000 | 114,476 | 100,000 | 105,000 |
| Office of Job Corps | 1,683,938 | 250,000 | 1,701,389 | 1,705,320 | 1,711,089 |