



19th Annual Congressional Forum Legislative Update

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Introduction

Despite slow progress in the first half of the 110th Congress, hindered by Democrats' attempts to end the war in Iraq, the new Democratic majority in both chambers has begun to make steady progress on its "New Direction for America." The passage of the student loan bill on September 7, 2007 is the fourth measure headed to President Bush's desk from the Democrats' "Six in '06" campaign pledge. If Bush signs the education bill as expected, three of the Democratic legislative promises will have become law nine months into their majority.

Democrats, however, have not been as successful passing the FY08 appropriations bills. With only a few legislative days remaining till the end of the fiscal year, Democratic leaders are now drafting a possible continuing resolution to prevent a government shutdown. While the House completed all of its appropriations bills before the August recess, the Senate has passed just four and, of those, none have gone to Conference with the House.

The momentum for moving forward with Workforce Investment Act (WIA) reauthorization has subsided in both Chambers. WIA reauthorization has virtually come to a halt in the Senate, while the House has had some movement over the summer on the Subcommittee level, where Chairman Ruben Hinojosa (TX) held two hearings on WIA reauthorization.

Appropriations

With only a few legislative days remaining until the end of the fiscal year House and Senate Democrats are eyeing a possible continuing resolution to keep the government funded through November 16. The House completed all its appropriations bills before the August recess. The Senate, on the other hand, had passed only one of its spending bills - Homeland Security - when Congress adjourned. Upon returning from recess, the Senate passed the Military Construction-Veterans Affairs (92-1), State-Foreign Operations (81-12), and the Transportation-HUD (88-7) bills by veto-proof margins. However, of all four Senate-passed measures, none have been sent to a conference committee for final negotiations with the House.

Senate Majority Leader Harry Reid (NV) has indicated that a continuing resolution will likely fund government operations for "weeks, not months," however, congressional leaders must still formulate a strategy to overcome presidential veto threats. President Bush has vowed to veto nine of the twelve House-passed bills.

Senate leadership has now indicated that their Labor-HHS bill will be brought to the floor in early October. Democratic leaders have not signaled whether they plan to clear each spending bill individually or cobble all 12 spending bills into one massive omnibus appropriations bill.

On a positive note, the September 7 final passage of the higher education reconciliation bill creates some breathing room for the Appropriations committees, relieving them of partial responsibility for funding Pell Grants for low-income students in the Labor-HHS Appropriations bill. The College Cost Reduction Act (HR 2669), pays for increases to Pell grants out of mandatory spending, instead of discretionary funding, freeing up as much as \$1.6 billion in the House Labor-HHS bill originally set aside for Pell grant increases. Some speculate that the added revenue will help bridge the funding gaps between the House and Senate Labor-HHS bills. On the other hand, there could be increased pressure to simply trim the overall spending total of the bill, given President Bush's veto threat, rather than devote the additional resources to other programs.

FY08 House Labor-HHS Appropriations

On Thursday, July 19 the House approved a \$607 billion Labor-HHS Appropriations bill for job training, social services and education programs. The bill passed on a 276-140 margin, one vote shy of the two-thirds majority necessary to override a presidential veto. Fifty-three Republicans voted in favor of the measure, with one Democrat - Melissa Bean (IL) - opposing it and 15 members not voting.

Overall, the FY08 Labor-HHS measure provides \$151.7 billion in discretionary funds (\$154.2 when including advanced appropriations) with the remaining spending on mandatory government-benefit programs. This is \$10.8 billion above President Bush's request, which proposed approximately \$3 billion in cuts, and provides \$7.2 billion more than fiscal year 2007. President Bush objects to the bill strictly because of the spending levels.

The Department of Labor Workforce Investment Act (WIA) allocations are level-funded with the inclusion of a \$335 million rescission of "unexpended" WIA funds. During the House Appropriations Committee marked up on July 11, Rep. Walsh (R-NY) offered an amendment that was accepted by voice vote that rescinded \$335 million from the "unexpended" funds in WIA and put them into IDEA (the Individuals with Disabilities Education Act). This amendment was accepted without objection.

Before final House passage, Democrats rejected four GOP proposals to trim spending, ranging from 4.6 percent to 0.25 percent. All four amendments failed on roll call votes.

FY08 Senate Labor-HHS Appropriations

On Thursday, June 21, the Senate Appropriations Committee voted 26-3 to approve a \$152 billion fiscal year 2008 Labor-HHS-Education appropriations bill with the addition of an amendment that would expand federal funding for embryonic stem cell research.

Overall, the FY08 Labor-HHS measure provides more than \$5.2 billion for job training programs with Workforce Investment Act allocations level-funded and no rescission of carryover funding. The bill includes more than \$1.6 billion for the Office of Job Corps,

an increase of \$137.5 million over President Bush's budget request and \$10 million more than the House's proposed allocation.

The Senate maintains the President's request to combine the funding and resources of the Prisoner Re-entry Initiative and the Responsible Reintegration of Youthful Offenders into a single funding stream, however, provides an additional \$35 million over the President's request and \$5.9 million more than the House proposed figure.

WIA Reauthorization

The momentum to reauthorize the *Workforce Investment Act* (WIA) early in the 110th Congress has stalled as the Authorizing Committees' focus has shifted to No Child Left Behind (NCLB), the Higher Education Act, and Head Start Reauthorization.

WIA reauthorization has come to a virtual halt in the Senate, while the House has had some movement on the Subcommittee level, where Chairman Ruben Hinojosa (TX) held two hearings on WIA reauthorization over the summer.

On July 26, 2007, the House Subcommittee on Higher Education, Lifelong Learning and Competitiveness held its second and likely final hearing on reauthorization of the Workforce Investment Act (WIA). The first Subcommittee hearing took place on June 28 and focused predominately on testimony from those groups that receive assistance through the workforce system. In contrast, the second hearing allowed local, regional and state administrators the opportunity to share what should be done to improve the system. In his introductory remarks, Subcommittee Chairman Ruben Hinojosa (TX) said the workforce system must develop the talents of all workers, especially those with disabilities, individuals with low levels of literacy and those lacking a high school credential. Subcommittee Ranking Member Ric Keller (FL) said he is looking forward to working with his colleagues in a bi-partisan manner to craft the reauthorized bill. Many on Capitol Hill do not expect the House Subcommittee Chairman to introduce his bill to reauthorize WIA until late this year or even early next year.

Conference staff submitted written testimony to the Subcommittee for the second hearing. The written testimony submitted by The U.S. Conference of Mayors can be seen in Appendix I.

Trade Adjustment Assistance

On July 23, 2007, the Trade and Globalization Adjustment Assistance Act of 2007 (S.1848) was introduced by Senate Finance Committee Chairman Max Baucus (MT). The legislation would reauthorize the Trade Adjustment Assistance program (TAA), scheduled to expire on September 30, 2007. In addition to extending TAA, the bill addresses the impact of globalization and expands trade adjustment assistance coverage to service workers. Annual TAA training funding would double under the proposal to \$440 million. The bill consolidates the program's deadlines for enrolling workers in training – 8 weeks after certification or 16 weeks after their layoff – to 26 weeks after

certification or layoff, whichever is later. It also allows states to use up to 5 percent of the funds they receive for TAA training to provide counseling to workers in the program, a function that under the current law must be provided with another funding stream.

Baucus' bill would allow a worker to receive both training and wage insurance sequentially, provided the training programs they participate in are less than a year in length. The bill also creates a new TAA for Communities program that would authorize \$300 million annually for a program that provides planning and economic development grants to communities that can show they are being negatively affected by trade.

The bill has been referred to the Senate Committee on Finance.

On September 18, 2007, the House Ways and Means Committee approved legislation to extend the Trade Adjustment Assistance program under the Trade Act of 1974 for an additional three months. If approved by the full committee in both Chambers the new extension will expire "December 31, 2007."

The extension legislation (H.R. 3375), provides an additional \$4 million to the assistance for firms section of the Trade Act of 1974 and authorizes \$9 million to the assistance for farm workers section to be appropriated to the Department of Agriculture for the three month period. The extension language stills needs revenue language to offset the additional funds so it can meet the pay-as-you-go-rules.

The short-term measure gives Ways and Means Committee Chairman Charles Rangel (NY) and Trade Subcommittee Chairman Sander Levin (MI), time to finalize a broader proposal to overhaul the current program. Chairman Levin said he expects to introduce a completed bill within the next few weeks.

The Green Jobs Act

On August 4, 2007, in a rare Saturday session, the House of Representatives passed its version of an energy bill that includes funding for "green collar" job training by a 241 – 172 margin.

Title I of the New Direction for Energy Independence, National Security and Consumer Protection Act (HR 3221) - The Green Jobs Act of 2007 - amends the Workforce Investment Act of 1998 to establish an energy efficiency and renewable energy worker training program. Among other things, this legislation would link research and development in the green industry to job standards and training curricula.

Under the Green Jobs program, the Secretary of Labor, in consultation with the Secretary of Energy, would establish an energy efficiency and renewable energy worker training program by awarding National Energy Training Partnership Grants on a competitive basis to eligible entities. Eligible entities would be non-profit partnerships with the equal participation of industry, including public or private employers, and labor organizations, including joint labor-management training program; and may include workforce

investment boards, community-based organizations, educational institutions, small businesses, cooperatives, state and local veterans agencies, and veterans service organizations.

In addition, the Secretary of Labor would award competitive grants to eligible State Energy Sector Partnerships to coordinate with existing apprenticeship and labor management training programs to implement training programs. These State Energy Sector Partnerships would similarly be comprised of non-profit organizations that include equal participation from industry and labor organizations; and may include representatives from local governments, the workforce investment system – including One-Stop Career Centers – community based organizations, community colleges and other post-secondary institutions, small business cooperatives, state and local veterans agencies, and veterans service organizations. The legislation appropriates \$125 million per year to carry out such programs.

The new job training programs would create jobs to put workers on a path to financial self-sufficiency. Funding for the programs could be used to pay for occupational training, as well as for support services for workers entering the training program, such as child care. Priority for these training programs would be given to veterans, displaced workers, and at-risk youth.

The Senate has passed its own comprehensive energy and efficiency legislation that also includes the establishment of an energy efficiency and renewable energy worker training program. On June 21, 2007, the Senate passed the Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007 (H.R. 6), by a 65 – 27 margin. The House originally passed H.R. 6 by 264-163 margin on Jan. 18, 2007 and subsequently passed H.R. 3221.

While this legislation includes “green jobs” training, it amends the Energy Policy Act of 2005, rather than the Workforce Investment Act of 1998, as it is in the House bill.

Essentially, the structure of the energy and efficiency training program is the same in both House and Senate versions, including the Secretary of Labor responsible for establishing the worker training program, in consultation with the Secretary of Energy. The Senate bill, however, makes no reference or recommendations to working with state or local workforce investment boards or coordinating activities with the workforce investment system, as stated in the House legislation. In fact, the only mention of the Workforce Investment Act in the Senate bill relates to worker protections and non-discrimination requirements as stated in section 181 and 188 of WIA.

On September, 18, 2007, Representative Rick Boucher (VA), Chairman of the House Energy and Commerce Subcommittee on Energy and Air Quality suggested delaying the energy bill conference in order to incorporate climate change legislation into the package. However, House Speaker Nancy Pelosi (CA) has indicated they will move forward immediately on the energy legislation.

The Second Chance for America's Veterans Act

On August 4, 2007, Representative John Yarmuth (KY) introduced legislation to expand and extend counseling and referral programs for at-risk veterans. Through the Department of Veterans Affairs, The Second Chance for America's Veterans Act (HR 3467) will establish a workforce reentry program for eligible veterans consisting of job referral, counseling, and other services necessary to minimize recidivism and help reintegrate into meaningful employment. The program will provide both referral and counseling services, including assistance with job training and placement, job readiness, housing, health care, and other benefits to assist in the veterans' transition from institutional living. The funds will be distributed to relevant state agencies, non-profit organizations, or State and local workforce investment boards to carry out the services. The program will provide \$15 million for the next four years, carried out in at least twenty-four locations distributed throughout the United States.

The legislation has been referred to the Committee on Veterans' Affairs.

Higher Education Reauthorization

On Tuesday, July 24, 2007, the Senate approved legislation to renew the primary laws governing colleges, universities, and federal student aid. The Higher Education Amendments of 2007 (S 1642) would reauthorize the *Higher Education Act of 1965*, strengthening many of its provisions including new measures to hold colleges accountable for rising college costs and address unethical practices in the student loan industry. Demonstrating a rare bi-partisan consensus, the Senate passed the legislation by an overwhelming 95-0 margin.

The House has yet to consider its own comprehensive legislation to strengthen and renew the Higher Education Act (PL 105-244).

On Thursday, August 2, President Bush signed S. 1868, the "Second Higher Education Extension Act of 2007," which extended programs under Higher Education Act of 1965 through October 31, 2007, into law.

College Cost Reduction and Access Act

On September 7, 2007, both the House and the Senate adopted the conference report accompanying the College Cost Reduction and Access Act (HR 2669) which amends the provisions in the *Higher Education Act of 1965* related to student loan lender subsidies, Pell grants and reduce student loan interest rates. Both chamber cleared the conference report by veto-proof margins - House 292-97 vote and Senate 79-12 vote.

Democrats have called the passage of the bill the "single largest effort to help students pay for college since the GI Bill."

Congressional leaders reached the agreement on the compromise legislation on September 5, which essentially split the difference between the House and Senate bills, taking elements of both. The College Cost Reduction Act reduces rates on student loans from 6.8 percent to 3.4 percent over four years, and authorizes roughly \$11 billion in new funding to raise the maximum amount for Pell Grants for low-income students. The legislation also includes \$750 million in deficit reduction as mandated by the 2008 budget resolution.

The bill is the lone reconciliation measure called for under the fiscal 2008 budget resolution (S Con Res 21), which allows members to tap into funds from federal entitlement programs and use them to expand spending on discretionary programs as long as they agree to put some of the money toward deficit reduction. This procedural maneuver was included in the budget resolution to protect it from a Senate filibuster, which would require 60 votes to overcome.

On Thursday, September 6, the Administration withdrew its threat to veto the legislation, explaining that the compromise bill responded to their call to “significantly increase funding for Pell Grants.” It now awaits President Bush’s signature.

America COMPETES Act

On Thursday, August 9, President Bush signed the America Creating Opportunities to Meaningfully Promote Excellence in Technology, Education, and Science Act (America COMPETES – HR 2272).

The House-Senate compromise bill combines elements of five bills already passed creating programs to encourage people to study and teach math and science, support high-risk technology research and increase funds for the National Science Foundation and other science-based agencies.

The broad-based legislation was sponsored by Majority Leader Harry Reid (NV) in the Senate, and by Representative Bart Gordon (TN), Chairman of the House Science and Technology Committee, and provides between \$43.3 and \$33.6 billion during the three-year period from 2008-2010 for research and education programs in the emerging technologies needed to compete in the global economy. The House voted 367-57 in favor of the conference report on HR 2272, “America COMPETES Act,” while the Senate approved the bill on a voice vote.

The bill increases research investment by doubling funding for the National Science Foundation (NSF) from approximately \$5.6 billion in FY 2006 to \$11.2 billion in FY 2011; setting the Department of Energy’s Office of Science on track to double in funding over ten years, increasing from \$3.6 billion in FY 2006 to over \$5.2 billion in FY 2011; and increasing funding for the National Institute of Standards and Technology (NIST) from \$703 million in FY 2008 to \$937 million in FY 2011.

In addition, the legislation strengthens opportunities in science, technology, engineering math and critical foreign languages by:

- Authorizing competitive grants to States to promote better alignment of elementary and secondary education with the knowledge and skills needed for success in postsecondary education;
- Providing grants to train and hire about 25,000 new teachers in science and math for recruitment in high-need schools;
- Expanding low-income student access to Advanced Placement (AP) and International Baccalaureate (IB) programs by increasing the number of teachers prepared to teach AP/IB and pre-AP/IB math, science, and foreign language courses in high-need schools;
- Strengthening the skills of thousands of math and science teachers by establishing training and education programs at summer institutes hosted at the National Laboratories and by increasing support for the Teacher Institutes for the 21st Century program at NSF.
- Creating partnerships between National Laboratories and local high-need high schools to establish centers of excellence in math and science education; and
- Providing Math Now grants to improve math instruction in elementary and middle schools and provide targeted help to struggling students so that all students can master grade-level mathematics standards.

The bill was approved as a measure to strengthen the U.S. position within the world's scientific and engineering communities and to increase the declining number of science and engineering students graduating each year.

No Child Left Behind Act Reauthorization

President Bush and Congressional leaders from both parties continue to express their desire to reauthorize the 2002 No Child Left Behind Act before the end of the year. The House and Senate Education Committees have been actively holding hearings on NCLB this past spring and before Congress departed for the August recess, Representative George Miller (CA), Chairman of the House Education and Labor Committee, outlined his top priorities for reauthorization of the *No Child Left Behind Act*. Chairman Miller pledged to introduce and pass an improved bill, both in Committee and on the House Floor, by September. Chairman Miller highlighted six features he will focus on during reauthorization, including fairness and flexibility for schools, a rich and challenging curriculum, support for teachers and principals, school accountability, steps to turn around low-performing middle and high schools, and greater investments to achieve the law's goals.

On August 27, Chairman Miller and Ranking Member Howard "Buck" McKeon (CA), of the Committee on Education and Labor, released a staff discussion draft of Title I of the

Elementary and Secondary Education Act. This draft was developed from input received at nearly two dozen Congressional hearings and many discussions with education organizations and concerned citizens. On September 6, Chairman Miller and Ranking Member McKeon, along with Representatives Dale E. Kildee and Michael N. Castle, Chairman and Senior Republican of the Early Childhood, Elementary and Secondary Education Subcommittee, released a discussion draft of the remaining titles for reauthorization of the No Child Left Behind Act. It was an unprecedented step to release the bipartisan draft, to ensure that the public would have ample opportunity to consider and comment on the direction of the Committee, before a formal bill is introduced.

On September 10, 2007, the House Education and Labor Committee held a day-long hearing on the reauthorization of the 2002 No Child Left Behind (NCLB) law, "Miller/McKeon Discussion Draft of ESEA Reauthorization," the first public discussion of the released draft bill. Testifying before the Committee were 44 experts from the education, civil rights, business, philanthropic, and research communities. The hearing testimony was directed primarily at ways which Chairman Miller's draft reauthorization bill should be altered prior to formal introduction as legislation. The major points of discussion were how to measure whether schools meet the law's standards for improving student performance, introducing performance pay systems for teachers, and using multiple measures of student achievement to determine whether students meet benchmarks.

Chairman Miller is expected to introduce reauthorization legislation language in the House within the next few weeks.

Appendix I

**U.S. House of Representatives
Committee on Education and Labor**

Reauthorization of the Workforce Investment Act of 1998

Hearing

July 26, 2007

Testimony Submitted by

The United States Conference of Mayors

Chairman Miller and members of the Committee, The United States Conference of Mayors appreciates the opportunity to submit testimony on the Reauthorization of the Workforce Investment Act of 1998.

The United States Conference of Mayors is the official nonpartisan organization of cities with populations of 30,000 or more. There are 1,139 such cities in the country today. Each city is represented in the Conference by its chief elected official, the mayor.

The enactment of legislation reauthorizing the Workforce Investment Act is of major importance to mayors at this critical time in our nation's economy. Global competitiveness, long-term economic security and the achievement of the American dream for **all** Americans depend primarily on a highly skilled, highly productive, and flexible workforce. The future prosperity of the United States and its cities will depend upon educating all Americans to higher and ever-changing standards. One way to achieve this is through a strong federally-funded, locally-driven workforce system.

Mayors believe that it is imperative that all low-wage and structurally employed workers have the chance to acquire these new highly-valued skills; receive needed supports while they are upgrading skills and changing careers; and have access to high quality help to find good jobs that lead to self-sufficiency and will enable them to support their families. Mayors also believe that we must find ways to bring business, workers, researchers, economic developers, entrepreneurs, K-16 and other education and training institutions, and government together at the local level to identify and develop their strengths and capacity for innovation.

Mayors and other chief local elected officials understand first hand what needs to be done. The place where every U.S. citizen meets the government is at the local level. Leaders at the local level are held accountable by their residents. Mayors and local elected officials are first to know of an economic downturn or upturn because of the number of residents who tell them their concerns about or pride in having and keeping a job. The economic health of a community and its citizens – especially its workers -- is the top priority for every mayor and other local elected official.

In 1998, when Congress articulated its vision for the central operations of the workforce system it funds through the Workforce Investment Act, the legislation was crafted in close collaboration with practitioners and public interest groups. Since then, that vision has been implemented and built upon by mayors and chief elected officials, in partnership with the local workforce investment boards they appoint.

Among the successes that have emerged from your investment over the last several years are a robust One-Stop system to directly connect local employers with the local employee base; a youth development system that assists directly in helping young people make the successful transition to the workforce; and innovations that have resulted in the leveraging of millions of dollars to align workforce development with economic development and education activities. From the every day needs of residents, to the relocation of tens of thousands of refugees in the weeks and months following the 2005

hurricanes, the local workforce system has been there to help connect people to jobs using a broad range of tools and strategies.

As you consider WIA reauthorization this year, the Conference of Mayors recommends the following to continue the evolution of the nation's core workforce development system, with a specific focus on governance and service delivery structures currently authorized in Title I of WIA. We have listed them in order of priority:

Governance and Local Area Designation – The public workforce system is charged with achieving two distinct objectives – assisting people in finding employment and training them to upgrade their skills in order to find employment.

An ideal workforce system is aligned to labor markets. Hiring transactions are both local and regional. To be effective, the workforce system must be positioned to work at those levels and led by those who have the greatest interest in its success.

A local board led by business, appointed by the mayor and/or the chief elected official in the area, is in the best position to create a strategy and implement it based on the needs of the local/regional economy. Local workforce development systems and strategies must be shaped around the local/regional economies and must be responsive to the key needs of employers. Simply put, without healthy cities and local economies, regions cannot thrive. In the absence of thriving regions, the nation cannot compete.

A reauthorization bill should ensure a continued strong, locally based business-led workforce investment system; ensure the appointment of local boards by mayors and other local elected officials; and protect the designation of high-performing workforce areas to best address the comprehensive education, workforce, economic and competitiveness needs of the country.

Moreover, the bill should clarify the essential, pivotal role that local boards play as conveners of key stakeholders for development and alignment of local/regional workforce and economic strategies; and as brokers of training and related services, resulting in a highly skilled workforce.

Youth – The Conference of Mayors is committed to promoting the well-being and positive development of the nation's youth. Mayors know that early work experience provides educational and enrichment opportunities leading to academic improvement for millions of disadvantaged youth, and helps youth develop life skills and values that prepare them for the challenges of adolescence and the responsibilities of adulthood.

By 2010, the largest segment of the nation's labor force will be teens and young adults as 41 million new workers enter the workforce to replace the 76 million retiring workers. Yet, the labor market for the nation's teens has deteriorated considerably over the past several years, and the overall teen employment rate in the past three years (2004-2006) was the lowest in the past 60 years.

According to the Center for Labor Market Studies at Northeastern University, the 2007 summer jobs outlook for the nation's teens appears to be worse than last year despite an improving national job market for older adults. Also, according to the Center's research, last summer only 7.11 million teens worked on average during the months of June-August; and the number of employed teens would have been 8.63 million, or 1.52 million higher, if the 2000 summer teen employment rate had prevailed and 9.5 million, or 2.4 million higher if the summer 1989 employment rate had prevailed.

In the past decades, there has been strong bi-partisan support for a summer jobs program for teens by the nation's mayors. Therefore, the Conference urges the Committee to restore its long term commitment to a strong summer jobs program, by continuing to include year round youth activities in WIA reauthorization and ensuring that a separate summer jobs program is part of WIA reauthorization.

In addition, The Conference of Mayors continues to support the development of national programs that are designed to provide both in-school and out-of-school youth, particularly youth in high poverty communities, with increased opportunities to achieve success in the workforce. The Conference strongly supports funding of these programs, such as YouthBuild, but not at the expense of the formula program.

Training – While skill and labor shortages threaten economic growth in the long-term, the current economic condition masks the challenge before us. Even as the economy is demanding a more educated workforce, several extraordinary forces are at play that will require new tools to address. Baby boomers are retiring, and new workers do not have post-secondary degrees at sufficient levels to replace even those who are retiring. And vast numbers of new potential workers are immigrating to America, but many lack the formal education necessary to support the demand for a more knowledge-based workforce.

At the same time, America's workforce system must respond to both recently laid off workers who need new jobs and often retooled skills, and to businesses who need skilled workers.

Adequate resources for training are necessary to meet employers' needs to attain and sustain economic strength. The WIA reauthorization bill should continue to authorize training for low wage workers for jobs that provide self-sufficiency; simplify training reporting requirements; provide for local input on certification of training providers; strongly encourage expanded access to training, and give credit for the leveraging of resources, other than WIA, for training.

The Conference of Mayors strongly supports inclusion of language that encourages the leveraging of resources for training, and urges the Committee to identify further incentives and rewards for state and local workforce investment systems that are successful in the leveraging of additional resources, beyond those provided through the WIA system, for training and other WIA services.

Finally, the Conference of Mayors recommends that the Committee consider relaxation of the sequence of services language in WIA, clarifying that intensive and training services may be provided as determined appropriate, without major interventions or delays. The Conference of Mayors strongly supports including provisions that provide authority to local workforce areas to provide training to low wage workers that leads to self-sufficiency, as defined locally. This authority is essential to allow for continued intensive and training services for the working poor for jobs that provide skill and wage progression.

Expenditures and Administrative Cost Limits – Carryover was an intentional spending strategy built into WIA as a planned management tool to assure proper and consistent operation of the workforce system. Since the WIA system must respond to economic events such as unanticipated plant closings, mass layoffs, or disaster relief, some funds must be held in reserve to enable immediate response.

The system also provides training for jobseekers that spans more than a single Program Year – at the point in time when carryover is determined (June 30 of each program year), many workers are midway through training, which appears as “carryover” even though those funds are already legally obligated.

The Conference of Mayors supports a requirement to reflect that when determining the reallocation and reallocation of unspent funding in WIA reauthorization, such determinations would be based on 30 percent of unspent “accrued expenditures” or “obligations” as required in current law. In addition, the Conference of Mayors believes that the new spending requirements should not be imposed retroactively, but should take effect the first Program Year after the date of enactment of the reauthorization legislation.

The Conference of Mayors also strongly urges the Committee to maintain the current function-based definition (from current DOL regulations for WIA) and maintain the 10 percent cap on administrative costs. This is very important to every local area, with broad implications for the workforce investment system. The Conference worked closely with DOL and the Inspector General’s office at DOL in developing the current regulations shortly after passage of the original Act. The Conference believes that the definition of administrative costs must be included in statute, rather than defined through administrative or regulatory means.

Business Services, Alignment with Economic Development, Encouragement for Innovation – A strong workforce system interfaces effectively with its critical partners – including economic development and educational entities, employers and business groups, employee groups, and community and faith-based organizations. This means it must be organized within a construct similar to those entities, and be poised to work closely with them in order to leverage resources effectively.

Mayors would like to see a bill that encourages innovation and development of knowledge-based economies through alignment of workforce development, economic development, adult and postsecondary education; implementation of innovative services

and strategies for meeting the needs of business; and encouragement for the leveraging and flexible use of private sector resources for meeting these goals.

One-Stop Infrastructure Funding – Securing an adequately funded One-Stop infrastructure is of paramount importance to maximizing the availability of adequate training and other important services to American workers. The Conference of Mayors supports consideration of a separate line item for such funding, with language protecting the Adult and Dislocated Worker funding levels, ensuring that infrastructure is not funded at the expense of formula funds.

Performance Standards – Workforce development efforts must demonstrate accountability for results – for objective outcomes that can be tracked, measured and evaluated. To truly be accountable for results, workforce development system efforts must develop appropriate measures for the outcomes we seek. Then, we must develop a data tracking and reporting system that allows transparency – regardless of whether the news is good or bad – with respect to the meeting of those outcomes.

The Conference of Mayors supports the simplification of performance standards under WIA, and the development of cross-program performance measures that will help to build a comprehensive, outcome-oriented workforce investment system across this nation.

The Conference of Mayors is concerned over the use of “efficiency” as a measure or reporting requirement, as this could inadvertently result in serving only those who are most job-ready, and to a decrease in more costly services, including training, for individuals with the most serious barriers to employment.

The Conference supports the retention of customer satisfaction as a required measure. Such measures are needed to ensure that the workforce system serves both of its primary customers well – jobseekers and businesses.

The Conference urges retention of skills attainment (i.e., employer-recognized credentials) as a measure to drive the system toward the provision of training identified as necessary by employers, and supports requiring that a regression model be used by States and localities to develop performance standards. This correlates the disparities of very low-income individuals being served with the cost of being served.

Finally, The Conference of Mayors supports the strengthening of language pertaining to the negotiation between states and local areas on the establishment of local performance standards, to ensure that this is truly a negotiation process in which local conditions are fully taken into account.

In closing, The U.S. Conference of Mayors thanks the Committee for the opportunity to represent the interests of mayors and their cities on the importance of training our future workforce. In a dynamic world, America’s competitiveness depends on a world-class workforce with the knowledge, skills and abilities necessary to be nimble in an ever-

changing economy. The nation's mayors understand that, as leaders of urban centers at the heart of the nation's 361 metropolitan areas, they have a critical and unique responsibility to insure the future workforce is ready, willing and able to support our global leadership in the 21st century.