



**WDC Board Meeting
20th Annual Congressional Forum**

Legislative Update

**September, 22-23, 2008
Washington, DC**

Introduction

According to the U.S. Department of Labor (DOL), the number of unemployed rose by 592,000 to 9.4 million in August. With the unemployment rate increasing by 0.4 percentage point to 6.1 percent, the number of unemployed persons has increased by 2.2 million and the unemployment rate has risen by 1.4 percentage points over the past 12 months.

During the second session of the 110th Congress, members are tackling these concerns with legislation addressing increasingly rising energy prices and national unemployment rate, particularly through a continuing resolution (CR), economic stimulus package, and passage of H.R. 6899 *The Comprehensive American Energy Security and Consumer Protection Act*, which passed the House on Tuesday, September 16, 2008.

Appropriations/Continuing Resolution

Because the fiscal 2009 appropriations bills have not been enacted, and the new fiscal year starts October 1st, 2008, Congress will have to clear legislation before they adjourn on September 26 through a continuing resolution (CR) to keep the government funded until early next year or after a new President takes office.

The timing of the CR could be affected by who wins the presidential election and whether there is a lame duck session after the election. Currently, Democrats are planning to make the CR straightforward by keeping funding levels for government programs and agencies at their fiscal 2008 levels, with some exceptions. Republicans are warning against adding extraneous items to the bill and President Bush has threatened to veto domestic spending bills that exceed his request.

Second Economic Stimulus

House Democrats had hoped to take an economic stimulus package to the Rules Committee on Thursday, September 18, and debate the measure on the floor on Friday, September 19, but House Appropriations Chairman David R. Obey (WI) is still working on details of the package with Senate leadership. With the House scheduled to adjourn on September 26, and Republicans and the White House strongly opposed to a second stimulus measure, it has little chance of passage at this juncture.

House Speaker Nancy Pelosi (CA) has said that elements of the second stimulus package she announced on September 10 could be added to a continuing resolution (CR), the appropriations measure that Congress must pass before the end of the month to keep the government funded.

On Wednesday, September 10, 2008, Pelosi had announced her follow-up to the stimulus measure (PL 110-185) enacted in February. Democrats want to pass legislation to provide up to \$50 billion in funding for infrastructure projects, a low-income energy and aid program, food stamps and Medicaid funding for states, as well as an unemployment insurance extension. The unemployment extension would provide seven additional weeks of benefits to jobless Americans

who have exhausted their benefits, and those in states with a high unemployment rate (6% or more) would be eligible for an additional 13 weeks of benefits.

On Thursday, September 11, 2008, Pelosi had also announced that she was looking at a stopgap funding bill or the stimulus package to provide \$25 billion in loan guarantees to help struggling automakers. Supporters of the loan program want to see it included in the CR because of the desire for it to be passed before the end of the fiscal year.

For now, Democratic leaders continue to search for the right combination of individual elements to include either in a CR or an economic stimulus measure. Republicans have indicated they are open to including some of the items from the stimulus package in the CR. The CR could be completed in time for a vote as early as Tuesday, September 23.

Reauthorizations

Higher Education Act

On July 31, 2008, the House passed the final version of the Higher Education Opportunity Act, H.R. 4137, which continues the efforts of the New Direction Congress to make college more affordable and accessible. This legislation is the first reauthorization of the Higher Education Act in 10 years. It contains numerous provisions, including encouraging colleges to rein in tuition increases, restoring integrity and accountability to the student loan programs, simplifying the federal student aid application process, and expanding college access and support for low-income and minority students.

Workforce Investment Act Reauthorization (WIA)

WIA reauthorization has stalled in Congress, neither chamber has begun serious discussions on the Workforce Investment Act, and it is unlikely that work will be completed on the Workforce Investment Improvement Act (HR 3747) this year in the face of upcoming elections.

No Child Left Behind Act Reauthorization (NCLB)

On January 24, 2007, the Bush Administration released "Building on Results: A Blueprint for Strengthening the No Child Left Behind Act." It outlines recommendations for NCLB reauthorization.

Recent debates over reauthorization have focused on the following issues:

- What has been the impact of the substantial expansion of standards-based assessments of student achievement required under the NCLB, and should these requirements be expanded further to include additional subjects or grade levels?
- Are adequate yearly progress (AYP) requirements appropriately focused on improving education for disadvantaged student groups and identifying low-performing schools?
- Have the program improvement, corrective actions, and restructuring required under NCLB for schools and local educational agencies (LEAs) that fail to meet AYP standards

for two consecutive years or more been effectively implemented, and have they significantly improved achievement levels among students in the affected schools?

- Will states meet the requirement that all public school teachers (and many paraprofessionals) be *highly qualified* and that well-qualified teachers are equitably distributed across schools and LEAs?
- Should NCLB programs be funded at levels closer to the maximum authorized amounts, and at what levels, if any, should authorizations be set for years beyond FY2008?
- Should the ESEA place greater emphasis on enhancing the nation's international competitiveness in science, mathematics, and foreign language achievement?
- Should the active federal role in K-12 education embodied in the NCLB be maintained?

The House Education and Labor Committee is currently in the process of reviewing comments regarding its NCLB discussion draft.

New Legislation and Emerging Ideas

Strengthening Employment Clusters to Organize Regional Success (SECTORS) Act 2008

On July 30, 2008, Senators Sherrod Brown (OH) and Olympia Snowe (ME) introduced the Strengthening Employment Clusters to Organize Regional Success bill (S. 3368) that would authorize new sector partnership grants under WIA. It would amend the Workforce Investment Act of 1998 and establish a new Industry or Sector Partnership Grant program administered by the U.S. Department of Labor. Grants are intended to allow recipients to establish or expand industry or sector partnerships that lead to collaborative planning, resource alignment, and training efforts across multiple firms for current and potential workers within the targeted industry cluster.

Eligible entities may apply for a one year planning grant of up to \$250,000 and a three year implementation grant of up to \$2.5 million. Eligible entities receiving an implementation grant may apply for a \$1.5 million renewal grant for an additional three years if certain conditions are met. Eligible entities must leverage increasing amounts of non-federal funding each year they receive federal funding.

Priority in awarding grants will be given to eligible entities that work with high road employers, help workers move toward economic self-sufficiency, address the needs of firms with limited human resources or training capacity (including small- and medium-sized firms), and coordinate with State and local entities engaged in workforce investment, economic development, and educational activities.

Prospective grantees are required to identify targeted industry clusters using a number of criteria, including the competitiveness of the industry cluster, importance of the cluster to the economic development of the area or region being served, demonstrated demand for skilled workers and the availability of jobs and career opportunities leading to economic self-sufficiency for current and potential workers.

Grantees must commit to carrying out a range of strategic activities, including identifying and aggregating the training needs of multiple employers, helping postsecondary educational institutions and other training providers align curricula and programs to meet industry demand, and improving job quality through improving wages, benefits, and working conditions for workers. Currently, endorsements are being collected for the bill.

Extended Unemployment Benefits - Amendment #2 to H.R. 2642

Signed into law June 30, 2008, Amendment # 2 to H.R. 2642 – Extended Unemployment Benefits, provided for the new GI Bill, which fully restores GI education benefits for Iraq and Afghanistan veterans to the level available after World War II.

- The new GI bill restores full, four-year college scholarships to veterans of the Iraq and Afghanistan wars to help make them part of an economic recovery like the veterans of World War II.
- Under the new GI bill, service members returning from Iraq or Afghanistan, who have served 3 years on active duty, would receive benefits to cover the costs of a four-year education up to the level of the most expensive in-state public school.
- Education benefits would be available to troops who have served at least 3 months of active duty since September 11, 2001, including members of the National Guard and Reserve.
- The bill also allows service members with six years of service, coupled with an additional service agreement of four years, to transfer their educational benefits to their spouses and dependents.

Additionally, it provided for extended unemployment benefits for those who have exhausted the 26 weeks of regular benefits.

- The amendment would provide up to 13 weeks of extended unemployment benefits in every state to workers exhausting the 26 weeks of regular unemployment benefits.
- Extending unemployment benefits will also help stimulate an economic recovery. CBO states that extending unemployment benefits is one of the most cost-effective and fastest-acting forms of economic stimulus because the money is spent quickly.