



WDC Board/Annual Meeting
Legislative Update

June, 20-21, 2008

Miami, FL

Introduction

The fourth work-period of the 110th Congress commenced on Monday, June 2, 2008. Members of both chambers returned from the Memorial Day recess to tackle legislation addressing increasingly rising energy prices, mortgage foreclosures and the national unemployment rate.

Employers' payrolls were cut by 49,000, making the nation's unemployment rate rise to 5.5 percent in May -- the biggest monthly increase in more than two decades. The figure indicates a deeply distressed economy, with dwindling job opportunities amid continued downturns in the housing, credit and financial sectors as well as an influx of recent college graduates seeking employment.

Appropriations

Labor-HHS Appropriations

The House Labor-HHS Appropriations Subcommittee has scheduled its markup of the Labor-HHS Appropriations bill for Thursday, June 19, with full Appropriations Committee consideration scheduled for June 25. In the Senate, the Labor-HHS Appropriations Subcommittee is expected to markup on June 24, with consideration in full Committee on June 26.

U.S. Conference President Mayor Palmer called for a rejection of President Bush's proposed cuts to WIA funding and for full funding of workforce programs in a letter sent to House and Senate Appropriators this week.

While it appears likely that both the House and Senate will reject the President's FY 09 proposed WIA funding cuts, the Labor-HHS Appropriations Subcommittee continues to face tremendous pressure from other interest groups to restore proposed cuts to their priorities. WIA programs thus remain extremely vulnerable as possible offsets to restore other proposed FY'09 cuts.

War Supplemental

The House will include an unemployment insurance benefit extension in the pending war supplemental appropriations bill (HR 2642) -- reverting to the original plan approved by the chamber on May 22 -- after delaying action on the supplemental last week to pass a stand-alone unemployment insurance benefits bill.

The measure includes \$169.1 billion for military operations in Iraq, Afghanistan etc., \$9.9 billion for international affairs programs, and \$33.1 billion for domestic programs, of which \$15.6 billion is for extended unemployment compensation. The bill also expands veterans' educational benefits at an estimated cost of \$52 billion over the next ten years, delays Medicaid regulations that would reduce payments to states, and limits Medicare payments to new specialty hospitals.

While the war funding amendment to the supplemental bill would match the \$165.4 billion level in the Senate's version, the domestic spending amendment would be written to take \$3.3 billion from that funding to cover domestic items.

The House bill also includes items that the Senate previously did not, such as a surtax on the wealthy to offset the expanded veteran's education benefit. Senate leaders have indicated they will again alter the House bill if what the chamber puts forth is similar to that offered last month.

House Democratic leaders continue negotiations with the White House, and House consideration of the bill is not likely to happen until Thursday, June 19 at the very earliest.

Budget

On Thursday, June 5, 2008, the U.S. House of Representatives voted 214-210 to approve the FY09 budget resolution despite GOP opposition. The Senate chamber had adopted the conference agreement on the \$3.03 trillion budget blueprint (S Con Res 70) by a 48-45 vote. This is the first time since 2000 that Congress has approved a budget resolution in an election year.

The budget intends to achieve a surplus of \$22 billion in 2012 and \$10 billion in 2013. The proposal also includes \$1.013 trillion in discretionary spending to be divided among the 12 annual appropriations bills. It outlines \$340 billion in tax cuts, including permanent extension of the 10 percent income tax bracket, increased childcare tax credit, elimination of the marriage penalty and fixing the estate tax at 2009 levels. A number of reserve funds have been included in the budget as well for energy and infrastructure spending. The Blue Dog Democratic Coalition ensured, however, that reserve funds must be offset if enacted.

Green Jobs

On Friday, June 6, 2008, the Senate fell far short of the 60 votes needed to invoke cloture on the Climate Change Security Act (S.2191), seriously hindering the bill's chance for passing in an election year. The vote was 48-36. Presumptive presidential nominees **Sen. John McCain** (AZ), and **Sen. Barack Obama** (IL), both missed the vote.

Senate Environment and Public Works Chairman Barbara Boxer (CA), and her colleagues, Senators Joseph Lieberman (CT) and John Warner (VA), introduced the global warming legislation, which would limit greenhouse gas emissions and create a market-based trading program for companies to compete. The bill also provides a total of \$190 billion through 2050 to fund the Energy Efficiency and Renewable Energy Worker Training Program, and a new Climate Change Worker Assistance Program.

Summer Jobs Reinstatement

Senator Murray's (WA) The Summer Jobs Act of 2008 was not included in the domestic spending section of the war supplemental spending bill. Plans to revisit this legislation in the 111th Congress are forthcoming.

Workforce Investment Act Reauthorization (WIA)

Senators Herb Kohl (WI), Maria Cantwell (WA) and Susan Collins (ME) began circulating a WIA Dear Colleague letter to Senate appropriators this month, requesting that \$250 million in workforce funding be included in a future economic stimulus bill. With the recent economic downturn, rising unemployment and announcement of layoffs in the automotive and airline industries, there is now a sense of urgency to support the workforce system and help it keep up with the increasing demand for services.

The Democratic leadership in the House and Senate is actively discussing introduction of a second economic stimulus package, which would most likely be introduced in July. The package will still need to be developed. While it is not expected to have much of a chance for enactment, it will be used as a marker by the Democratic leadership to contrast Democratic and Republican philosophies on economic issues.

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

Trade Adjustment Assistance Act (TAA)

Most recently, the Trade Act of 2002 (P.L. 107-210) established Alternative Trade Adjustment Assistance (ATAA) and reauthorized and expanded Trade Adjustment Assistance (TAA). The TAA and ATAA programs, which were set to expire on September 30, 2007, were extended for three months by P.L. 110-89. P.L. 110-89 was signed by President George W. Bush on September 28, 2007. On December 11, 2007, the House passed another three-month extension (H.R. 4341) by a vote of 264-137. As of February 20, 2008, the Senate has not acted on the measure. The Consolidated Appropriations Act, 2008 (P.L. 110-161, signed by President George W. Bush on December 26, 2007) contains an appropriation for the TAA for Workers and ATAA programs that fully funds the programs for FY2008. A letter from the Assistant Secretary for Employment and Training at DOL to the Senate Finance Committee as well as Training and Employment Guidance Letter (TEGL) No. 15-07, issued by DOL, indicates that full operation of the programs, including issuing new certifications for eligibility, will continue through FY2008.

H-1B Visa Expansion

On Wednesday, April 16, Republican Senate members, Lamar Alexander (TN), Orrin Hatch (UT), Kay Bailey Hutchison (TX) and John Cornyn (TX), pushed for steps to boost the economy by expanding the H-1B visa program, making the research and development tax credit permanent and increasing funding for science education. The senators believe that allowing more highly skilled foreign workers to stay in the United States after they receive their college degrees would help prevent companies from moving jobs overseas. Research on this issue estimates that each H-1B visa holder would produce five jobs.

Higher Education Act Reauthorization (HEA)

Congress will most likely clear a seventh extension of the Higher Education Act (PL 105-244) to buy time for talks on long-term overhaul of the legislation. The absence of Senate Health, Education, Labor and Pensions Committee Chairman Edward Kennedy (MA), who is the lead sponsor, is delaying Senate-House negotiations on the overhaul. President Bush on May 30 signed a bill (S.3035) which extended the law until June 30, 2008.

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.