



WDC Annual Winter Meeting

Legislative Update

**January 19-20, 2010
Washington, DC**

Introduction

On Friday, January 8, the Department of Labor's Bureau of Labor Statistics reported the unemployment rate at 10 percent as predicted by economists. The unemployment rate has not changed since it was last reported in early December. The 85,000 net jobs lost in December was worse than expected, however the November payroll number was revised to reflect a net gain of 4,000 jobs, the first job increase in almost two years. The economy has shed a total of 7.2 million jobs since the start of the recession in 2008.

Congress had made job creation a priority for 2010. The House will have a light agenda this year, due to the amount of legislation they passed in 2009, including health care reform (HR 3962), climate change legislation (HR 2454), a financial industry regulation measure (HR 4173) and a \$154 billion end-of-session jobs bill (HR 2847). The Senate had more difficulty moving bills and will have a full agenda when they return from recess on January 20, including a health care overhaul (HR 3590), extension of the federal debt ceiling (PL 111-123), Extension of jobless and COBRA health insurance benefits in the Defense appropriations bill (PL 111-119) and the Jobs Creation Package.

Appropriations/ Budget FY 2011

On Sunday, December 13, the Senate passed the \$446.8 billion omnibus conference report including all of the remaining appropriations bills (except the Defense bill -- HR 3326), on a vote of 221-202. The package used the Transportation-HUD (HR 3288) spending measure as a vehicle to pass the remaining 5 spending bills including Labor-HHS-Education (HR 3082), Commerce-Justice-Science (HR 2847), Financial Services (HR3170), Military Construction-VA (HR3082) and State-Foreign Operations (HR 3081). President Obama signed the bill into law on December 16, 2009.

The \$163.6 billion Labor-HHS bill, an \$8.5 billion increase over FY 2009 levels excluding stimulus funds, allocates \$2.97 billion in job training grants to states -- \$861 million for Adults and \$924 million for Youth activities, matching the President's budget request; \$1.4 billion for Dislocated Workers, matching the President's request with a \$71 million increase over 2009 levels; and \$1.7 billion for Job Corps, exceeding the President's request by \$9.7 million. The bill also provides \$103 million for YouthBuild (a \$33 million increase), \$45 million for the Transitional Jobs program, \$40 million for the Green Jobs Innovation Fund and \$125 million for the Career Pathways Innovation Fund.

The legislation includes \$1.1 billion for the Corporation for National and Community Service, \$498 million to support training for students of health professions and nursing fields including \$244 million for nurse training, \$66 million to train dental workers, \$628 million for Adult Education and \$50 million for dropout prevention.

President Obama may postpone his State of the Union address and release his FY 2011 Budget proposal after the due date of February 1 due to delays in passage of health care reform legislation, which is unlikely before February. The budget proposal is expected to largely focus on debt reduction.

Jobs Creation Bill

Senate Democrats plan to begin work on their version of a Jobs Creation bill soon after they return from winter recess on January 20, assuming they can secure fast passage of health care reform legislation. Senate Majority Leader Harry Reid (NV) hopes to pass a Jobs bill before the President's Day recess on February 13. House Democrats held an issues conference on January 13-14 at the Capitol Visitor Center to discuss bringing down the 10 percent unemployment rate before the November midterm elections. The House will most likely have a light agenda this year since it passed so much legislation in 2009.

The House passed its Jobs Bill, Jobs for Main Street Act of 2009 (HR 2847), on December 16. The jobs creation portion of the legislation includes \$500 million in WIA Youth formula grant funding to be used for Summer Youth employment programs. In addition, \$750 million is provided in competitive grants for training and placement in high-growth and emerging sectors, \$275 million of which is designated for careers in renewable energy and energy efficiency as described in the Green Jobs Act. Of the \$275 million provided for Green Jobs Training, \$225 million is designated for Pathways out of Poverty grants. The remaining \$475 million gives priority to training projects in the health care sector. A summary of the key components as well as USCM priorities is in your packets.

Reauthorization

Workforce Investment Act Reauthorization (WIA)

On December 8, 2009 Representative Brett Guthrie (KY) introduced the Workforce Investment Improvement Act (H.R. 4271) to reauthorize the Workforce Investment Act. The legislation focuses on increasing efficiency, improving accountability and increasing the flexibility of state and local job training providers.

To streamline the system, the bill puts adult, dislocated worker and employment service funding streams under a single unified adult and dislocated worker program; it requires every mandatory partner program to contribute funds to One-Stop infrastructure funding; allows training for current workers, ensures One-Stops continue to be the main provider of employment services, and allows for greater representation of varied interests on WIBs, including business representatives, community groups.

To remove barriers to training, the measure enhances flexibility of state and local training providers, combines core services and intensive services into a "work ready services" category, allows job seekers to access training immediately and allows faith-based groups to engage in training. The legislation also allows groups to create Regional Economic Development plans and emphasizes adult education and employing individuals with disabilities. Representative Guthrie's fact sheet on the legislation is included in your packets.

New Legislation & Emerging Ideas

Student Aid and Fiscal Responsibility Act (SAFRA) HR

The House passed the Student Aid and Fiscal Responsibility Act (SAFRA), HR 3221, on September 17. The bill includes \$9.5 billion for community colleges, broken down into three programs:

- \$2.5 billion provided in FY2011 for grants to community colleges to repair, renovate and modernize their facilities.
- \$6.3 billion provided over ten years for the Community College Challenge Grant Program. The program will offer competitive grants geared towards community colleges during the first four years and targeted to states during the remaining six years.
- \$700 million provided for competitive grants designated for national activities, including grants to develop free online courses and training.

Passage of the health care reform bill may expedite the Senate's student loan reform legislation, since Senate Democrats are considering passing the two together in a single budget reconciliation measure.

Health Care Reform

The House passed the Patient Protection and Affordable Care Act (HR 3950) on November 7, 2009, and the Senate passed its version on December 24, 2009. Democratic leadership is now trying to reconcile the two versions without losing key votes for approval in both chambers. Rather than hold a standard conference committee, the House will amend the Senate bill and send it back to the Senate upon passage in the House.

The Senate legislation funds demonstration projects to provide opportunities for training and career advancement to low income individuals in order to address health professions workforce needs. The bill provides Area Health Education Center Grants to establish and maintain entities with health education center programs. Award recipients are required to coordinate with local One-Stops to recruit underrepresented populations into health professions. The measure also establishes a national Health Care Workforce Commission requiring at least one representative from state or local Workforce Investment Boards and one representative from educational institutions. The legislation includes a program to establish grants to promote positive health behavior outcomes by funding community health workers and encouraging them to collaborate with educational institutions and the One-Stop delivery system.

The House version includes a program to establish grants for comprehensive programs providing education to nurses and creating a pipeline to nursing. Eligible entities include joint labor-management training programs, representatives from worker investment agency One-Stop career centers, local governments, community colleges, and community based organizations.

American Clean Energy and Security Act (HR 2454)

On Friday, June 26, the House passed the American Clean Energy and Security Act (HR 2454). The legislation will increase Workforce Investment Act funding for the Energy Worker Training Program from \$125 million to \$150 million. The measure also authorizes funding for the Carl D. Perkins Career and Technical Education Act for programs of study focused on emerging careers in renewable energy, energy efficiency and climate change mitigation; and for the Climate Change Worker Adjustment Assistance Program, which provides assistance to workers adversely affected by the requirements of the Clean Air Act.

The Senate climate change bill is still in Committee. The bill provides funding for the following job training programs:

- **Nuclear Worker Training:** An EPA-administered grant program providing assistance for worker training essential for growing safe, domestic nuclear and nuclear-related industries.
- **Clean Energy Curriculum Development Grants:** Competitive grants to eligible partnerships developing programs focused on emerging careers in the areas of energy, climate change mitigation, renewable energy, energy efficiency and climate change adaptation.
- **Development of an Information and Resources Clearinghouse for Vocational Education and Job Training in Renewable Energy Sectors:** Develops an internet-based information and resources clearinghouse developed by the Secretary of Labor to help technical and career job training and education programs in the renewable energy sectors.
- **Green Construction Careers Demonstration Project:** Establishes a Green Construction Careers demonstration project by the Secretary of Labor to promote quality employment practices and careers in the green construction sector and advancement of performance and efficiency, and on related construction projects.
- **Climate Change Worker Adjustment Assistance:** Establishes a program entitling any worker whose displacement is a result of the Clean Air Act to 156 weeks of supplemental income, \$1,500 for assistance in job search, \$1,500 for moving assistance, 80% of their monthly health care premium, and additional employment services for training, job counseling, skills assessment and other services. Payments under the program are limited to a maximum of the proceeds from allowance auction set aside for this purpose.