



**The U. S. Conference of Mayors  
75<sup>th</sup> Annual Conference  
Los Angeles, CA**

**Legislative Update  
June 21, 2007**



# Workforce Development Council Annual Meeting Legislative Update

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## **Introduction**

Sixth months into the 110th Congress the new Democratic majority in both chambers has made little progress in its “New Direction for America”, with just one of their “priorities” becoming law – a raise in the minimum wage; and with veto threats from the Bush Administration on any spending bill that exceeds his recommendations.

On May 24, Congress passed a \$120 billion emergency Iraq spending bill that included the first federal minimum wage increase in over a decade. President George Bush signed the measure into law on May 25. It will boost the minimum wage from \$5.15 to \$7.25 in three stages over two years, with the first increase to \$5.85 effective on July 24, 2007. Wages increase to \$6.55 on July 24, 2008, and to \$7.25 on July 24, 2009.

While Congress was still wrapping up additional FY07 appropriations, they were fast at work passing the Fiscal Year 2008 Budget Resolution. On May 18, for only the third time in the past six years, Congressional leaders successfully passed a Congressional Budget Resolution on a nearly party line vote in both chambers. It provides \$954 billion for discretionary programs, with a \$21 billion increase in domestic discretionary programs above the President’s FY 08 request and \$10 billion above FY 07 enacted funding levels.

Consequently, Appropriators will have \$21 billion more at their disposal for domestic program funding. On Thursday, June 7, the House Labor, Health and Human Services and Education Subcommittee approved a \$607 billion spending bill for job training, social services and education programs. Essentially, the FY08 Labor-HHS measure provides \$151.5 billion in discretionary funds (\$153.7 with advanced appropriations included) with the remaining spending on mandatory government-benefit programs.

On Thursday, June 14, the Senate Appropriations Committee announced its 302(b) spending allocations for the Appropriations subcommittees. The Senate has allocated \$149.2 billion for the Labor-HHS subcommittee, which is approximately \$2 billion less than the House allotment. The Senate Labor-HHS subcommittee is scheduled to meet Tuesday, June 19, to review its FY08 appropriations bill. On June 16, President Bush warned Congress that he will use his veto power to stop “runaway government spending.”

The momentum for moving forward with Workforce Investment Act (WIA) reauthorization has subsided in both the House and the Senate as focus has shifted to the Higher Education Act and No Child Left Behind Act (NCLB) Reauthorizations. NCLB and the Higher Education Act are both ahead of WIA on the Committee’s agenda and many of the same staff handles both issues, which significantly slows down the process. According to Senior Committee Staff, legislative counsel has begun drafting a WIA reauthorization bill in the Senate; however, to date a draft has not become public. The Bush administration has publicly released their WIA reauthorization proposal for the 110th Congress. Legislative language and a detailed summary outline far more than previously disclosed about the Administration’s plans for its Career Advancement Accounts (CAA) proposal and other aspects of workforce policy.

## **FY08 Budget Resolution**

On May 18, Congress adopted a final fiscal 2008 budget resolution that reflects the priorities of the new Democratic majority. The \$2.9 trillion budget blueprint increases domestic discretionary spending with a total of \$954 billion for discretionary programs in FY 2008, and sets a course to produce a small surplus in five years by assuming that many of President Bush's tax cuts would expire. The nonbinding measure for the budget year beginning October 1 does not go to Bush for his signature or veto; rather, it sets parameters for the appropriations process.

The House passed the measure (H Rept 110-153) by a 214-209 vote without a single Republican member voting for it. The Senate quickly followed on a 52-40 vote; with moderate Republicans Olympia Snowe and Susan Collins of Maine voting in favor of the measure (S Con Res 21).

House Budget Chairman John M. Spratt Jr. (SC), and Senate Budget Chairman Kent Conrad, (NC) announced the conference compromise on Wednesday May 16, which allows for \$954.1 billion in fiscal 2008 discretionary spending to be allocated through 12 annual appropriations bills. The total, which does not include war spending, is \$21 billion more than the White House's budget request, and this difference grows to \$23 billion when \$2 billion in advance appropriations are included. Democrats are eager to boost domestic spending on education, veterans' programs, housing and other domestic programs they believe were neglected during the first six years of Bush's presidency.

President Bush has threatened to veto individual spending bills that go beyond his budget request, and House Republican Conservatives are collecting signatures on a letter promising to sustain those vetoes. With this in mind, Congress could end up with a series of continuing resolutions on some of the more contentious bills, such as Labor-HHS.

## **Appropriations**

### **FY07 War Supplemental Funding – Minimum Wage Increase**

On Thursday, May 24, Congress approved \$120 billion in new funds for the wars in Iraq and Afghanistan. Passage of the bill (HR 2206) ended a four-month struggle between President Bush and the new Democratic-led Congress over the increasingly unpopular Iraq war. The House voted 280-142 for the emergency supplemental funding bill, while the Senate passed it 80-14.

Even before the House and Senate acted on Thursday, President Bush welcomed the legislation, which does not set the timetable sought by Democrats for withdrawing troops, but requires the Iraqi government to meet a series of benchmarks as a condition for receiving further American reconstruction aid. In exchange for dropping the withdrawal

timetable, Bush agreed to Democratic demands for approximately \$17 billion in domestic spending, and the first increase in the minimum wage in a decade.

Underscoring Democratic division, House Speaker Nancy Pelosi (CA) voted against the bill, while Senate Majority Leader Harry Reid (NV) voted for it. In addition, three Democratic senators running for president - Hillary Rodham Clinton (NY), Barack Obama (IL) and Christopher Dodd (CT) - opposed the legislation with no withdrawal deadlines, while Joseph Biden (DE), also a Democratic presidential hopeful, voted in favor of the bill. In addition, Senator John McCain (AZ), who is seeking the GOP nomination, voted for the spending measure, while another Republican White House hopeful, Senator Sam Brownback (KS), missed the vote.

The minimum wage bill, bundled together with other domestic spending on an amendment separate from the war supplemental budget, passed by a 348 to 73 vote in the House. The total measure, including both war and domestic spending, subsequently passed both the House and Senate. The minimum wage portion of the legislation provides for an increase - over a two-year period - to \$7.25 an hour from the current \$5.15. The last time lawmakers increased the federal minimum wage was in 1997. The inclusion of a \$4.8 billion package of small business tax break was a condition for Senate Republicans and President Bush's support of the inclusion of a minimum wage increase amendment. The package includes a three and one-half year extension of the Work Opportunity Tax Credit, a tax credit granted to businesses that hire low-income workers. It also includes a waiver of the individual and corporate alternative minimum tax limits on the Work Opportunity Tax Credit and credit for taxes paid with respect to cash tips.

### **FY08 House Appropriations**

On Thursday, June 7, the House Labor, Health and Human Services and Education Subcommittee approved a \$607 billion spending bill for job training, social services and education programs.

Overall, the FY08 Labor-HHS measure provides \$151.5 billion in discretionary funds (\$153.7 when including advanced appropriations) with the remaining spending on mandatory government-benefit programs with the remaining spending on mandatory government-benefit programs. This is \$12 billion above President Bush's request, which proposed approximately \$3 billion in cuts, and provides a 6.2 percent increase over current year funding.

Since the bill exceeds the Administration's budget request for Labor-HHS-Education funding, it becomes an attractive veto target, although Appropriations Chairman David Obey (WI) sought to keep the bill clean of riders on abortion policy or other social issues to boost bipartisan support. Instead, Obey directs an estimated \$647 million above FY07 levels to programs aimed at discouraging abortions, including a \$27 million boost in abstinence education and infant adoption awareness.

The Department of Education receives the largest increase in the bill -- with a 7.4 percent increase to \$61.7 billion -- including a \$2 billion increase above current year funding for No Child Left Behind programs. In addition, the bill includes a \$390 boost in the maximum Pell Grant award to \$4,700, while rejecting cuts to other college aid programs proposed by President Bush such as the Perkins Loan program.

The Department of Labor receives a 1.8 percent increase from FY07 funding levels with Workforce Investment Act allocations level-funded and no rescission of carryover funding. The bill includes a \$10.5 million increase for YouthBuild programs, a 21 percent increase from current year funding, and a \$42.6 million increase for Job Corps, \$98 million above Bush's request.

In addition, the Responsible Reintegration of Youthful Offenders and Prisoner Re-entry programs are zeroed out and consolidated into a single Reintegration of Ex-Offenders program appropriated at \$68.7 million.

A complete list of Department of Labor proposed FY08 appropriation funding levels can be seen in *Appendix I*.

### **FY08 Senate Appropriations**

On Thursday, June 14, the Senate Appropriations Committee announced its 302(b) spending allocations for the Appropriations subcommittees. The Senate has allocated \$149.2 billion for the Labor-HHS subcommittee, which is slightly below the House's \$151.1 allotment. The Senate's funding level is six percent higher than President Bush's FY08 budget request of \$140.9 billion and three percent higher than last year's congressionally enacted levels. The Labor-HHS subcommittee is scheduled to meet Tuesday, June 19, to review its FY08 appropriations bill.

### **WIA Reauthorization**

#### **110<sup>th</sup> Congress WIA Reauthorization**

Efforts to move the reauthorization of the *Workforce Investment Act* (WIA) forward have been met with little success during the first session of the 110<sup>th</sup> Congress. The momentum for moving forward with WIA reauthorization waned in both the House and the Senate as focus shifted to the No Child Left Behind Act (NCLB) and Higher Education Act (Higher Ed) reauthorizations. With NCLB and Higher Ed reauthorization moving ahead of WIA as priorities for both House Education and Labor Committee Chairman George Miller and Senate HELP Committee Chair Ted Kennedy (MA), it is crucial that members become re-engaged about the importance of reauthorizing the bill this year.

According to Bill Kamela, Majority Staff Director to Senator Patty Murray (WA) on the Employment and Workplace Safety Subcommittee of the Senate HELP Committee, legislative counsel had begun working on a draft WIA bill and were planning on bringing

the draft to Health, Education, Labor and Pensions Ranking Member Michael B. Enzi's staff sometime in May, but this has yet to transpire.

According to Kamela, the Committee believes they had a good product from both the 108th and 109th Congress and are "refining and improving" these bi-partisan measures in the draft of this year's bill. He cautions that while the House has a majority, the Senate's majority is "on paper only," and in order to get the sixty votes necessary to pass the bill they must maintain a consensus. Therefore, they plan on maintaining a 75-80% status quo from last year's Senate passed bill – S1021.

New items in the bill would include: 1. A definition of Administrative Costs; 2. A new set of Common Measures which would largely reflect the recommendations from Washington State; 3. Language on transferability of funding – allowing 100% transferability between Adult and Dislocated Worker funding – not including Youth and the Employment Service; and 4. A more explicit definition on Youth Challenge grants – indicating that providers selected had to have youth experience.

According to Kamela, they do not plan on changing the funding formula and the bill will not include contentious faith-based hiring provisions language.

There appears to be no definitive answer on WIA movement in the House, as Senate staff indicates the House is waiting to see what come out of the Senate, and House staff maintains they plan to start from scratch a new WIA reauthorization bill.

The House has, in fact, scheduled a subcommittee hearing on WIA reauthorization on June 28. The Senate, on the other hand, is still bogged down with Higher Ed reauthorization, and WIA reauthorization movement has come to a halt.

### **President Bush 110<sup>th</sup> Congress WIA Reauthorization Proposal**

On June 7, the Bush Administration publicly released its detailed WIA reauthorization proposal for the 110th Congress. Legislative language and a detailed summary outline far more than previously disclosed about the Administration's plans for its Career Advancement Accounts (CAA) proposal and other aspects of workforce policy. That is, of course, if Congress accepts them.

Administration officials again propose a program that would consist of a single funding stream consolidating the WIA Adult, Dislocated Worker and Youth funding streams as with Employment Service. Of CAA allotments to states, state workforce agencies would be able to reserve up to 33 percent for statewide activities and pass the rest on to local areas. Local workforce agencies would then be required to spend 90 percent of their allotment on training, either in the form of the customer-held Career Advancement Account, or customized, or on-the-job training contracts with employers, with the remaining 10 percent available for administrative expenses. Funding for core and intensive services would still be available, just not out of local allotments. States would be required to pass on two-thirds of their original 33 percent allotment to local workforce agencies for the provision of core and intensive services, as well as personnel costs.

Separate funding would be available for One-Stop Career Center infrastructure. The legislative proposal follows through on the Administration's long-standing call to allow governors to redirect funds to state-level One-Stop infrastructure accounts from their states' allotment of funds received through other federal streams so long as the programs are identified in WIA as mandated One-Stop partners.

Another provision of the proposal, however, would forbid local workforce agencies from using their WIA Title I funding for supportive services, such as bus fares and child care. In defining Administrative Costs, the proposal spells out a number of typical administrative expenditures, such as maintaining information systems and oversight manpower, and adds a few new categories, such as the cost of maintaining assistive technology and membership dues for professional organizations.

Regarding the flow of funding to states, the proposal includes a complex, two-part allotment formula that, in large part, would be driven by elements of the Wagner-Peyser funding stream's current allotment formula. The formula would include the 90 percent hold-harmless adjustment and a 130 percent stop-gain adjustment that now reins in Adult, Youth and Employment Service funding allotments, preventing "wild year-to-year swings."

Regarding policies for the delivery of Career Advancement Accounts, the Administration proposes that state workforce agencies be charged with establishing eligible training provider criteria. One type of training program would enjoy automatic eligibility in all states - federally registered apprenticeships. States would also be charged with establishing eligibility criteria for jobseekers.

Similarly as officials have outlined in the past, the accounts could be issued to jobseekers for a maximum of \$3,000 per year for up to two years to cover tuition and other costs associated with training. The proposal contains a provision to clarify that CAAs be delivered as a second resort after Pell Grants and another provision requiring states to include the federal student aid programs' needs test in their mechanisms for program eligibility determination.

The Employment and Training Administration's executive summary can be seen in *Appendix II*. The full reauthorization proposal can be seen at <http://www.doleta.gov/reports/pdf/WIA%20Reauthorization%20Proposal.pdf> and a section by section analysis of the proposal can be found at <http://www.doleta.gov/reports/pdf/caa07explanstatement41707.pdf>.

## **Trade Adjustment Assistance**

At a Finance Committee hearing on June 6, Committee members agreed that Congress needs to reauthorize and expand the Trade Adjustment Assistance Act. Created in the 1960's to help manufacturing workers who lost their jobs to a changing global economy, the Act, reauthorized in 2002 (PL 107-210), is set to expire September 30, 2007.

Now that the Finance Committee has agreed to its extension, specific negotiations will begin on the Trade Adjustment Assistance Improvement Act of 2007 (S.122), with an expected partisan clash.

Shortly after the June 6 hearing, Senate Finance Chairman Max Baucus (MT) told reporters that Congress needs to expand government aid to workers displaced by trade and globalization through the reauthorization of the Trade Adjustment Assistance Act; but should not tie it to renewal of the President's "fast-track" authority. According to Baucus, instead Congress needs to address changes in the world economy by offering benefits to service workers, as well, and significantly increasing aid for health care.

His comments came after Ranking Member Charles E. Grassley (IA), suggested that reauthorizing the aid program should be linked to an extension of fast-tracked trade negotiating authority (PL 107-210), set to expire June 30.

Under fast-track, the Administration negotiates trade deals that Congress can either vote for or against but cannot amend. Debate over renewal has been contentious, with Democrats demanding that tougher labor and environmental standards be included in pending and future trade agreements.

Grassley said a guarantee vote on trade deals is necessary for successful completion of the Doha round of trade talks, the multi-national negotiations intended to help the world's poor.

## **Higher Education Act**

### **House**

On June 6, by a voice vote, the House of Representative passed a temporary extension of programs under the Higher Education Act of 1965. Section 2(a) of the Higher Education Extension Act of 2005 (Public Law 109-81) is amended by striking 'June 30, 2007' and inserting 'October 31, 2007.'

The bill was referred to the Senate Committee on Health, Education, Labor, and Pensions. If enacted the extension gives Congress an additional four months to reauthorize the Higher Education Act.

## **Senate**

On June 14, eighteen of the twenty-one members of the Senate Health, Education, Labor and Pensions (HELP) Committee sent a letter to Education Secretary Margaret Spellings in which they “respectfully” asked her to refrain from issuing any new regulations until Congress passes legislation to renew the Higher Education Act.

The U.S. Department of Education had planned to propose changes in federal regulations governing the higher education accreditation system by July, with the goal of having them take effect a year from now, before the Bush Administration ends. However, if the Department moves forward in this regard, it would be defying Congressional direction to do otherwise.

The letter from the bipartisan group of senators, who represent all but three Republicans on the Senate education panel, represents an upturn in Congressional pressure on department officials not to proceed with their plans to use the federal regulatory process to try and transform the higher education’s system of self-regulation. Those efforts, which grew from the work last year of the Secretary of Education’s Commission on the Future of Higher Education have been controversial among many accreditors and college officials, who have accused the Department of seeking changes that are not supported in underlying federal laws governing accreditation, which have not changed since 1998.

The text of the Senators’ letter and a list of signers can be seen in *Appendix III*. The members of the Senate panel who did not sign the letter were Republican Senators Orrin Hatch (UT), Wayne Allard (CO), and Tom Coburn (OK).

On Wednesday, June 20, the Senate Health, Education, Labor and Pensions (HELP) Committee will hold a markup of the Higher Education Access Reconciliation Act and the Higher Education Amendments of 2007.

## **College Cost Reduction Act of 2007**

On June 14, on a 30 to 16 vote, the House Education and Labor Committee passed the College Cost Reduction Act of 2007 (H.R. 2669). Drafted by Chairman of the House Education and Labor Committee George Miller (CA), the legislation would increase the maximum Pell Grant by \$100 per year for five years, cap student loan payments to a manageable percentage, cut interest rates in half and cancel a student’s debt after twenty years of repayment.

The bill would cut roughly \$19 billion from lender and guarantor fees and redirect these funds to student aid. Republican committee members stated that the Democrat’s proposal was “extracting too much blood” from lenders.

Ranking Member Howard (Buck) McKeon (CA) offered substitute legislation that would have cut lender and guarantor payments by roughly \$13.8 billion and redirected those funds to Pell grants. Additionally, his legislation would have corrected current law to equalize Direct Loan and FFEL PLUS loan rates at 7.9 percent, invested \$12 billion in Pell grants to increase the maximum grant by \$350 in 2008, provided approximately \$2 billion for deficit reduction and created no new entitlement spending. His proposal was not approved by the Committee.

### **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 August congressional recess. The present goal of both Committees is to mark up a reauthorization overhaul bill this summer. The House and Senate Education Committees have been actively holding hearings on NCLB this spring, and a draft bill is expected to start the negotiations in earnest sometime in June.

Among other provisions, the proposal will likely include changing Adequate Yearly Progress (AYP) to a growth model and make it more flexible, amending the accountability model and rethinking assessments; redefining and clarifying teacher quality, and the assignment of highly qualified teachers to high-poverty schools; assessing English language learners and students with disabilities; resolving inequities among state standards and proficiency cut offs; revising the language concerning supplemental educational services and choice; rethinking the flexible use of funds and even the Title I formula; differentiating sanctions given the various level of needs schools have and forms of transformation; and addressing the controversy over whether there is too much emphasis on reading and math at the expense of other subjects or whether it is an issue of time on a subject versus courses taken.

Conventional wisdom holds that the spending bills will dominate the fall Congressional session, so if Congress fails to reauthorize NCLB before the August recess the process is likely to be pushed into 2008 or beyond.



## Appendix I



**House Labor, Health and Human Services and Education Subcommittee  
Chairman's Mark**

	<b>2008 Chairman's Mark</b>	<b>2007 Joint Resolution</b>	<b>2008 Budget Request</b>
<b>Title I: Dept. of Labor</b>	<b>\$11,895,254</b>	<b>\$11,686,035</b>	<b>\$10,964,200</b>
Adult Training	864,199	864,199	712,00
Youth Job Training	940,500	940,500	840,500
Dislocated Workers	1,471,903	1,471,903	1,114,939
Native Americans	56,381	53,696	45,000
Migrant & Seasonal Farmworkers	83,740	79,752	0
YouthBuild	60,000	49,500	50,000
Community-Based Job Training Grants	125,000	125,00	150,000
Reintegration of Youth Offenders	0	49,104	0
Prisoner Reentry	0	19,642	0
Reintegration of Youth Offenders	68,746	0	39,600
Community Service for Older Americans	530,900	483,611	350,000
Unemployment Compensation	2,561,223	2,507,670	2,561,223
Employment Service	758,649	749,311	721,545
Employee Benefits Security Administration	142,925	141,573	147,425
Employment Standards Administration	436,508	420,871	447,659
Enforcement of Wage and House Standards	182,365	170,220	182,365
Office of Labor-Management Standards	45,737	47,753	56,888
Energy Employees Occupational Illness Compensation Program	104,745	102,307	104,745
Occupational Safety and Health Admin. (OSHA)	503,516	486,925	490,277
Susan Harwood Training Grants	10,116	10,116	0
Mine Safety and Health Admin. (MSHA)	313,478	301,570	313,478
Bureau of Labor Statistics (BLS)	576,118	548,123	574,443
Office of Disability Employment Policy (ODEP)	27,712	27,712	18,602
Bureau of International Labor Affairs (ILAB)	72,516	72,516	14,097
Job Corps	1,649,476	1,606,855	1,551,244
Veterans Employment and Training	228,198	223,189	228,096



## Appendix II



# Workforce Investment Act Reform

## *Workforce Investment Act Reform Proposal*

In recognition of the challenges posed by the global economy, the Administration has proposed reform of the Workforce Investment Act of 1998 (WIA). The "Workforce Investment Act Amendments of 2007" would reauthorize and reform title I of WIA and is designed to move the entire workforce investment system in a direction that supports and advances our nation's competitiveness.

Under the proposal, funds appropriated for the WIA Adult, Dislocated Worker and Youth Programs and the Employment Service would be consolidated and allocated to states – and through states to local areas – as a single funding stream for Career Advancement Accounts (CAA) and employment services for job seekers and employers. The proposal seeks to increase education and training opportunities for American workers, provide greater flexibility to states and local areas, and strengthen the One-Stop Career Center system.

## *Responding to the Challenges of the 21<sup>st</sup> Century Economy*

The WIA reform proposal recognizes that the 21<sup>st</sup> century economy brings with it new challenges to workers, businesses, and the American economy. Globalization, innovation, and technological advancements are transforming occupational requirements, job sectors, and entire industries. The workforce investment needs of this "new economy" are significantly different from those we have known in the past. Today's economy demands higher levels of education and skills from American workers than at anytime in their history. "Knowledge workers" equipped with specialized skills gained through post-secondary education and training will fill the fastest-growing jobs.

Increasing the skills and education levels of the American workforce is vital for opening up career opportunities for workers. Educational achievement, particularly beyond high school, is a key predictor of success in the labor market. For example, in 2006, the unemployment rate was 6.8% for high school dropouts, versus 3.0% for individuals with an associate's degree, and only 2.0% for those who have earned a bachelor's degree. Average earnings also greatly increase with higher levels of education.

The nation's workforce investment system has not kept pace with the challenges brought on by the need for new and higher levels of worker skills and competencies. This failure is due, in part, to the lack of integration in the system, which causes too much money to be spent on competing bureaucracies, overhead costs, and unnecessary infrastructure, and not enough on meaningful training and education that leads to employment and advancement opportunities for workers and economic prosperity for communities. Aligning the workforce investment system with new economic realities facing the United States is among the critical factors in ensuring that American workers and businesses are successful in the global marketplace.

## *Increasing Education and Training Opportunities*

In response to the demand for higher levels of skills, the WIA reform proposal will increase opportunities for American workers to participate in post-secondary education and training. The proposal would establish CAAs – self-directed accounts that would enable current and future workers to pay for the education and training needed to successfully enter, navigate, and advance in occupations that are in demand in the 21<sup>st</sup> century. The accounts would be available

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EMPLOYMENT AND TRAINING ADMINISTRATION  
UNITED STATES DEPARTMENT OF LABOR

to both adults and out-of-school youth entering the workforce or transitioning between jobs. Incumbent workers in need of new skills could use CAAs to remain employed or to move up the career ladder. CAAs would provide workers with up to \$3,000 for one year to pay for expenses directly related to education and training, such as tuition, fees, and text books. Accounts could be renewed for one additional year, for a two-year account of up to \$6,000 per worker.

In addition to establishing CAAs, the proposal takes other steps to enhance access to education and training:

- The proportion of WIA funds devoted to education and training activities would be greatly increased, resulting in significantly more individuals that are trained through the workforce investment system today.
- The proposal would simplify complex eligibility requirements and address provisions in current law that have deterred many education and training providers - including community colleges - from participating in WIA.
- The proposal would more clearly define administrative costs to ensure that the One-Stop system is maximizing the amount of funding available for education and training and other employment services.

### *Promoting State and Local Flexibility*

States and local areas need more flexibility to be able to design workforce systems that align with their economic development strategies and respond to the unique workforce needs and challenges of their regional economies. The WIA reform proposal seeks to promote state and local flexibility by:

- Empowering governors and local elected officials to design systems that meet regional economic needs and priorities, such as providing greater flexibility in the designation of local areas to match regional economies and labor markets.
- Providing enhanced waiver authority for provisions that inhibit flexibility and innovation, such as the number and location of One-Stop Career Centers.

### *Strengthening the One-Stop System*

One-Stop Career Centers will continue their important role in the workforce investment system by providing employment services and access to CAAs. The One-Stop principle of integrated service delivery across Federal programs is also maintained. However, the WIA reform proposal would take steps to strengthen One-Stop Career Centers and the system's governance structure:

- Membership requirements for state and local Workforce Investment Boards would be streamlined, enabling boards to function in a more agile and focused manner in setting direction for state and local workforce systems.
- The operational costs of the One-Stop system would be financed through dedicated "one-stop infrastructure" funding, ensuring more equitable and stable funding for One-Stop infrastructure costs.
- One-Stop Career Center performance accountability would be simplified by focusing on three primary performance measures - employment, retention, and earnings.



## Appendix III



June 14, 2007

The Honorable Margaret Spellings  
Secretary, U.S. Department of Education  
400 Maryland Avenue, S.W.  
Washington, D.C. 20202

Dear Secretary Spellings:

As you know, the Committee on Health, Education, Labor, and Pensions is moving forward with reauthorization of the Higher Education Act. We're writing to let you know that we plan to make changes to the section of the law that deals with accreditation. We believe these changes will strengthen our nation's accreditation system by clarifying the Department of Education's responsibilities with respect to recognizing accreditation agencies and organizations, and by specifying the criteria that these agencies should examine when reviewing institutions of higher education.

Obviously, we're aware that you have just completed negotiated rulemaking on accreditation based on current law, and that the next step is for the Department to publish proposed regulations on this topic. Although Members differ on the particulars, we support your overall goal of ensuring that our accreditation system is an effective means of promoting quality in higher education. However, given our Committee's expectation that the current accreditation provisions will soon be changed, and that a new round of rulemaking on this issue will subsequently be needed, we respectfully ask that you refrain from proposing new regulations on accreditation until after the Higher Education Act is reauthorized.

Thank you for your attention to this matter.

With respect and appreciation,

Sincerely,

Edward Kennedy (D-Mass.)  
Christopher Dodd (D-Conn.)  
Tom Harkin (D-Iowa)  
Barbara A. Mikulski (D-Md.)  
Jeff Bingaman (D-N.M.)  
Patty Murray (D-Wash.)  
Jack Reed (D-R.I.)  
Hillary Rodham Clinton (D-N.Y.)  
Barack Obama (D-Ill.)

Bernard Sanders (I-Vt.)  
Sherrod Brown (D-Ohio)  
Michael B. Enzi (R-Wyo.)  
Judd Gregg (R-N.H.)  
Lamar Alexander (R-Tenn.)  
Richard Burr (R-N.C.)  
Johnny Isakson (R-Ga.)  
Lisa Murkowski (R-Alaska)  
Pat Roberts (R-Kan.)

