

JOB TRAINING PROGRAMS (Staff Contact: Kathy Amoroso)

The President's Budget for the Department of Labor (DOL) calls for a new \$3.413 billion consolidated state block grant to deliver Career Advancement Accounts (CAA) by combining and cutting over \$434 million from the Workforce Investment Act (WIA) Adult, Dislocated Worker and Youth formula grant programs with the Employment Service (including Employment Service formula grants, labor market information grants, and grants for administration of Work Opportunity Tax Credit and Welfare-to-Work Tax Credit) into a single funding stream to states which provides greater flexibility for governors to redesign or eliminate the local workforce system and determine how funds are spent.

Career Advancement Accounts – States would use these funds primarily to provide Career Advancement Accounts which the Administration proposed last year but has yet to be enacted by Congress. The accounts would be available 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 be self-managed accounts of up to \$3,000 that workers and people looking for work, can use to obtain training and other employment services. Accounts could be renewed for one additional year, for a two-year account of up to \$6,000 per worker. The accounts must be used to pay for expenses directly related to education and training, such as tuition, fees and textbooks, not supportive services.

States would be required to use the majority of their funds for Career Advancement Accounts to ensure that most of the funds are utilized for skills acquisition. The remainder of CAA funding would be used to provide basic employment services to job seekers, such as labor market information, job search assistance, and career and skill assessments to workers.

One-Stop Career Centers would continue to provide these employment services as well as access to the accounts, so while the proposal does not define a role for the local workforce system, it leaves it up to the states to negotiate with local areas on their role.

Strict limits would be imposed on the use of grant funds for administrative and overhead costs. Caps of five and 10 percent at the state and local levels would be applied with a more rigorous definition of administration costs.

Adult Training Grants – DOL proposes to eliminate the WIA adult training formula grant program by combining and cutting it by \$149 million from FY 2007 levels into the consolidated block grant to administer Career Advancement Accounts.

Dislocated Worker Job Training Grants – DOL proposes to eliminate the WIA Dislocated Worker formula grant program by combining and cutting it by \$177 million from FY 2007 levels into the consolidated block grant to administer Career Advancement Accounts.

Youth Training – DOL proposes to eliminate WIA Youth training formula grant program by combining and cutting it by \$105 million from FY 2007 levels into the consolidated block grant to administer Career Advancement Accounts. In-school youth are not eligible for CAAs.

Community Based Job Training Grants – The budget would fund the community college initiative at \$150 million as part of the President’s High-Growth Job Training Initiative, a \$99 million cut from the FY 2007 levels.

Prisoner Re-Entry Program – The President’s budget combines the funding and resources of the Prisoner Re-entry Initiative and the Responsible Reintegration of Youthful Offenders into a single program and funds it at \$39.6 million. This represents a cut of \$29 million in funding from the FY 2007 individual program funding levels of \$19.6 million and \$49.1 million respectively.

Under the President’s request, \$20 million would be used to build basic literacy and math skills for juvenile ex-offenders and for the completion of secondary education through alternative pathways, leading to credentialing, pre-apprenticeship, and apprenticeship programs.

For adult ex-offenders, \$19.6 million would be used to help ex-offenders find immediate employment through grants made to faith-based and community organizations.

Job Corps – The FY 2008 budget seeks \$1.518 billion in funding for the Job Corps program – an \$88 million cut from FY 2007 levels.