

Fiscal Year 2011 Continuing Resolution

Summary of Key Workforce Funding Provisions under HR 1473

April 2011

On April 12, the House Appropriations Committee released the [legislative text](#) of HR 1473, the Fiscal Year (FY) 2011 continuing resolution (CR) that was negotiated by the White House and Congressional leadership. The House has released a [short summary](#) of the CR; the Senate has released a more [detailed summary](#) for programs under the Departments of Labor, Health and Human Services, and Education.

The proposed CR includes more than \$1 billion in cuts to key job training and education programs under the Departments of Labor and Education, including:

- more than \$300 million in cuts to state formula grants under the Workforce Investment Act (WIA);
- \$250 million in cuts under the Career Pathways Innovation Fund (\$125 million in FY 2011 funds, plus a \$125 million rescission of FY 2010 funds);
- \$45 million in cuts for transitional jobs activities for non-custodial parents and ex-offenders; and
- as much as \$170 million in cuts for career, technical, and adult education programs.

Despite these cuts, the bill represents an important victory for the thousands of workforce advocates across the nation who worked tirelessly over the past two months to educate lawmakers about the critical need to invest in the skills of the U.S. workforce.

HR 1473 does not cut funding for workforce development programs nearly as deeply as the House-passed CR (HR 1), which would have cut \$3.8 billion in training funds from the Department of Labor—including all Program Year (PY) 2011 formula funding for WIA—and would have cut the maximum Pell Grant award by \$845 from current maximum level of \$5550. The CR also includes \$125 million in funding for a new “Workforce Innovation Fund,” which will support competitive grants for states and other entities to test and replicate innovative workforce delivery strategies.

[Note: In addition to spending cuts listed below, HR 1473 includes a 0.2 percent across-the-board reduction for all non-defense accounts, which is not reflected in these totals.]



Department of Labor (DOL)

Workforce Investment Act

Overall, funding for job training under WIA would be reduced by \$182 million compared to current funding levels. State formula grants under WIA are reduced by \$307 million, including:

- \$90.5 million in cuts under the WIA Adult program;
- \$120 million in cuts under the Dislocated Workers program; and
- \$96.5 million in cuts under the WIA Youth program.

To reduce the impact of these cuts on local areas, the CR would reduce the governor's set-aside for statewide activities under all three funding streams from 15 percent to 5 percent (sending the remaining 10 percent down to the local level instead).

The bill would establish a new \$125 million DOL-administered "Workforce Innovation Fund" to support competitive grants to states or other partnerships (including regional partnerships) for projects that "demonstrate innovative strategies or replicate effective evidence-based strategies" to strengthen and align the workforce system to improve participant outcomes. The Obama Administration proposed the establishment of similar Workforce Innovation Funds in both the [FY 2011](#) and [FY 2012](#) budget requests.

Other DOL Programs

Dislocated Worker National Reserve

The CR would reduce funding for the DW national reserve to \$224,160,000, \$5 million below current levels.

Career Pathways Innovation Fund (CPIF)

HR 1473 would both eliminate funding for the CPIF in FY 2011 and rescind the \$125 million made available for the program in FY 2010. DOL released a [solicitation](#) for FY 2010 CPIF grant proposals earlier this year, but with the rescission these funds would no longer be available. The Obama administration has previously proposed eliminating funding for this program, arguing that it was duplicative of the [TAA Community College and Career Training](#) (TAACCCT) program funded under last year's health care and education reconciliation law.

Green Jobs Innovation Fund

The CR provides no funding for green jobs training in FY 2011. However, green jobs funding appropriated in FY 2010 and under the American Recovery and Reinvestment Act would not be affected. This program was funded at \$40 million in FY 2010; the Obama Administration included \$85 million for this program in their FY 2011 budget proposal.



YouthBuild

Funding for YouthBuild will be reduced from \$102.5 million in FY 2010 to \$80 million in FY 2011.

Pilots, Demonstrations, and Research Activities

FY 2011 funding for Pilots and Demos is set at \$10 million, compared to \$93,450,000 in FY 2010. The reduction reflects, among other things, the elimination of nearly \$49 million in earmarks and a cut of \$30 million for transitional jobs activities.

Reintegration of Ex-Offenders

Cut from \$108.5 million in FY 2010 to \$85.6 million, including the elimination of \$15 million in funding for transitional jobs activities.

Community Service Employment for Older Americans

Funding for the CSEOA program is reduced from \$825 million in FY 2010 to \$450 million. This was the funding level proposed in the President's FY 2012 budget request.

Job Corps

Job Corps funding is maintained at last year's level of \$1.708 billion, though the CR would rescind \$75 million in previously appropriated but unobligated construction funds. The CR authorizes the Secretary of Labor to transfer up to 25 percent of available construction funds for the operational costs of Job Corps centers.

Department of Education

Pell Grants

The CR maintains the current maximum Pell Grant award at \$5,550. However, the bill eliminates "year-round" Pell Grants, which allowed students (including low-income working adults) to receive up to two awards if they were attending school on a year-round basis. The President had proposed eliminating these awards as part of his FY 2012 budget request. According to the House appropriations committee summary, cutting year-round Pell awards will save \$35 billion over the next decade.

Career, Technical, and Adult Education

The CR includes \$138 million in cuts for career and technical education (CTE) programs, including the elimination of the Tech-Prep program, and \$35 million in reductions from state CTE grants. In addition, the CR would cut approximately \$31 million from adult basic education programs.