

Senate Committee Approves FY11 Labor-HHS-Education Spending Bill

August 2010

On July 27, the Senate appropriations committee approved the Fiscal Year (FY) 2011 spending bill for programs administered by the Departments of Labor, Health and Human Services, and Education, and related agencies (Labor-H). Despite widespread concerns in Congress about federal spending and the deficit, the committee-passed bill actually boosts overall discretionary spending for these agencies to almost \$170 billion – about a four percent increase over FY 2010 levels – including approximately \$223 million in increased funding for the Department of Labor and nearly \$2.7 billion in additional discretionary funding for the Department of Education.

Although it is unclear if Congress will be able to complete work on the bill before the end of the current fiscal year – the House has yet to act at the full committee level, and there is little time left on the congressional calendar before the November elections – the Senate Appropriations bill does provide some signals about congressional funding priorities in the current economic climate. Importantly, the committee placed particular attention on the need for additional investments in training and education in the current economic climate, noting in the committee report that “[w]ith the Nation’s unemployment rate at 9.5%, programs that help Americans find jobs and upgrade their skills are critically needed.”

Highlights from the bill are provided below:

Department of Labor

Workforce Investment Act

The Senate Labor-H Appropriations bill recommends more than \$3.1 billion for training and employment services under the Workforce Investment Act (WIA). This is an increase of more than \$163 million over FY 2010, although this additional funding is entirely reserved for a series of new competitive workforce innovation grants. Funding for the WIA Adult program is set at nearly \$896.9 million, with \$35 million designated for workforce innovation grants, while funding for the WIA Dislocated Worker program is set at just above \$1.241 billion, \$55 million of which is available for workforce innovation grants. Overall funding for the WIA Youth program is set at \$995 million, of which \$95 million is available for a “youth innovation fund.” Because this would lead to a lower overall funding level for regular state formula grants than in FY 2010, the bill adopts an Administration proposal to reduce from fifteen to ten percent the set-aside for statewide youth activities.



The committee bill adopts, with some modifications, a recommendation included in the Administration's FY 2011 budget request to establish new "workforce innovation funds." These funds, which would be administered jointly by the Secretaries of Labor and Education, would consist of \$55 million for dislocated workers, \$35 million for adult job training, \$95 million for youth, \$27 million for disabled individuals and \$30 million for adult education programs.¹ The funds would support competitive grants to states and local workforce investment boards (WIBs) to "test innovative strategies or replicate proven practices that support systemic reform of the workforce investment system and substantially improve education and employment outcomes for participants." The committee report indicates that priority for these workforce innovation grants should be given to applicants that "demonstrate significant alignment across workforce development, education, and supportive services at the state, regional, or local level and that support economic development goals and improved education and employment outcomes for participants, particularly those who are hardest to serve." At least 30 percent of funds under the youth innovation fund must be used to support summer employment activities.

The Senate bill includes a provision that would allow local workforce boards to transfer up to 30 percent of formula funds between Adult and Dislocated Worker funding streams with approval from the state governor. The bill also retains a provision, originally included in the Recovery Act, which authorizes local boards to contract for the training of multiple individuals in high demand occupations, rather than using individual training accounts, so long as such contracts do not limit consumer choice.

Other ETA Programs

- **Dislocated Worker National Reserve:** Approximately \$229.2 million, the same level appropriated in FY 2010.
- **Green Jobs Innovation Fund:** The bill would provide \$65 million for green jobs training, a \$25 million increase over the \$40 million appropriated in FY 2010, but below the president's request of \$85 million.
- **Career Pathways Innovation Fund:** The bill would eliminate funding for this grant program, which replaced the Community-Based Job Training grant program in FY 2010 and was funded at \$125 million. The committee report notes that Congress included \$2 billion over four years to support the Community College and Career Training Grant program as part of the recent health care and education reconciliation bill.
- **Pilots, Demonstration, and Research:** The bill would provide roughly \$73.6 million for pilots, demonstrations, and research activities, a decrease of nearly \$20 million from FY 2010 levels. The bill would authorize up to \$40 million to be used to support transitional job programs, and would permit DOL to transfer up to ten percent of this funding to the Departments of Health and Human Services or Justice.

¹ The Senate bill appropriates a total of \$242 million for workforce innovation funds in FY 2011, about \$80 million less than requested by the Administration.



The committee report also provides strong support for agency investments in career pathways strategies; citing concerns about low literacy and numeracy skills among adult workers, the committee report includes language urging DOL to continue “to examine and publish successful strategies and best practices that can help adults with low literacy levels improve their overall skills and employment opportunities.” The committee report also urges DOL to expand funding opportunities for community-based programs that deliver basic literacy instruction along with occupational training, allowing those programs to develop and disseminate best practices that will lead to better linkages between WIA Title I (job training) and Title II (adult basic education) programs.

- **Workforce Data Quality Initiative:** The bill includes \$13.75 million for this initiative, which provides grants to states to develop and improve longitudinal education and workforce data systems. Congress provided \$12.5 million for the program in FY 2010.
- **Native American Programs:** \$55 million, an increase of about \$2.3 million over FY 2010 levels.
- **Migrant and Seasonal Farmworker Programs:** \$87.4 million, an increase of just under \$2.8 million from FY 2010.
- **Women in Apprenticeship and Non-Traditional Occupations (WANTO):** \$1 million, the same level appropriated in FY 2010.
- **YouthBuild:** \$110 million, an increase of \$7.5 million over FY 2010 levels.
- **Employment Services:** The bill includes approximately \$703.6 million for state Employment Services grants as authorized under the Wagner-Peyser Act, the same level appropriated in FY 2010.

Department of Education

- **Pell Grants:** The Senate bill calls for discretionary funding of nearly \$17.7 billion for the federal Pell Grant program, the same level appropriated in FY 2010. Under the Health Care and Education Reconciliation Act passed in March, Congress provided significant new funding to support mandatory increases in the maximum Pell grant award; combined with this mandatory funding, the FY 2011 discretionary appropriation will support a maximum award of \$5,500. The bill does not adopt the president’s budget proposal to make all funding for Pell mandatory
- **Career and Technical Education:** The bill calls for level funding for career and technical education (CTE) state grants at just over \$1.27 billion, and for Tech-Prep Education state grants at \$102.9 million. The president’s budget request had called for consolidation of these two funding streams while maintaining FY 2010 combined funding levels, but this proposal is not adopted under the Senate bill.



- **Adult Education:** The bill calls for \$653.7 million overall to support adult education activities, including \$612.3 million for state adult education formula grants, of which \$75 million is reserved for integrated English literacy and civics education. The state grant program was funded at a little over \$628 million in FY 2010, but this included a one-time distribution of \$45 million to compensate states that did not receive their full allocations between FY 2003 and FY2008, so the FY 2011 appropriation is actually \$30 million over the FY 2010 base level. The bill also provides \$41.3 million for national leadership activities, of which \$30 million is designated for a “workforce innovation fund.” The bill would change the name of the Department of Education’s Office of Vocational and Adult Education (OVAE) to the Office of Career, Technical, and Adult Education.
- **Vocational Rehabilitation:** The bill calls for \$3.08 billion for vocational rehabilitation grants to states, the same as FY 2010 levels. The bill would appropriate an additional \$27 million to establish a “workforce innovation fund” to support activities that improve employment and education outcomes for individuals with disabilities.

Department of Health and Human Services

- **Health Professions Training:** The Senate bill includes \$170 million in increased funding – for a total of \$706.8 million – to support health care training programs under HHS. The committee report notes that the bill “invests heavily in occupations at the first rung of a career ladder, and occupations that pay a wage sufficient to support those struggling to raise families or support aging dependents.” The bill includes \$10 million under the Nurse Education, Practice, and Retention program to support career ladder programs that help individuals advance from certified nursing assistant positions into advanced nursing occupations, and also provides \$90 million for primary care training activities, up to 15 percent of which may be used for physician assistant training.

National Skills Coalition will continue to monitor the FY 2011 appropriations process and continue to provide updates as information becomes available.