



Washington Update

Developments in Federal Workforce Policy

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Budget and Appropriations

Congress Passes Bailout Bill, Fails to Pass Second Stimulus

In its final weeks, the 110th Congress was able to clear both a financial bailout package and a continuing resolution to fund the federal government through the beginning of March 2009, but was unable to finish work on a stimulus package that would have included substantial funding increases for job training.

Understandably, most of the attention in Washington recently has been on the financial bailout package, which will permit the federal government to purchase up to \$700 billion in bad assets currently on the banking industry's books. The bill signed by President Bush last week includes a temporary increase of FDIC insurance limits for bank accounts, a one-year fix to the alternative minimum tax, and a package of other individual and corporate tax incentives, bringing the total cost of the bill to about \$850 billion.

While the Congressional Budget Office does not [expect](#) that the bailout program will cost the full \$700 billion, the staggering cost of the bill—and concerns about the need for further federal intervention—will undoubtedly have an impact on other areas of federal spending for some time to come. Perhaps mindful of this, Congressional Democrats also attempted in late September to pass a second economic stimulus bill that would have provided emergency funding for infrastructure, unemployment insurance, and a host of other domestic priorities. The House was able to pass their nearly \$61 billion stimulus package (H.R. 7110) by a vote of 264-158, but the smaller Senate version stalled after a vote to end debate on the bill failed. The House bill would have provided \$400 million in new job training funds under the Workforce Investment Act (WIA), including \$200 million for dislocated worker programs and \$200 million for youth activities. The Senate bill called for \$600 million for job training, with \$300 million each for dislocated worker and youth activities under WIA. The White House had threatened to veto either bill if they were passed.

Annual Appropriations Bills Pushed to Next Congress

On September 30th, literally hours before the start of the new fiscal year, President Bush signed a “continuing resolution,” (also known as a CR) to temporarily extend current funding levels for most federal agencies through March 6, 2009, preventing possible disruptions in government services and leaving the FY 2009 appropriations process to be completed by a new administration and a new Congress early next year.

Of note, the CR extends funding for the federal trade adjustment assistance (TAA) program through March 6, 2009. TAA authorization [technically expired](#) in December of 2007, but the Department of Labor has indicated that it will continue to operate the program as long as funding is appropriated. The CR also provides an additional \$2.5 billion in funding for the federal Pell Grant program.

As the 110th Congress limps to a close, TWA reminds advocates that our work is not complete—it is only just beginning. September saw higher than expected unemployment numbers, with nearly 160,000 jobs lost nationwide, and the overall economic picture remains bleak, meaning America’s workers and businesses can expect continued challenges and uncertainty. At times like these, it is more important than ever that the workforce development field weigh in with policymakers to communicate the importance of education and training programs, and ensure that the next administration and Congress make the necessary investments in the skills of the American workforce.

TWA will continue to update advocates on workforce developments in Washington and across the country.



Higher Education Programs

U.S. Department of Education Establishes HEA Regulatory Webpage

Prior to the August recess, Congress passed the Higher Education Opportunity Act (H.R. 4137), the first major reauthorization in a decade of the federal Higher Education Act of 1965. The U.S. Department of Education is in the process of drafting implementing regulations for the new law, and has established a [webpage](#) to provide updates on the rulemaking process. The webpage includes a schedule of public hearings across the country to allow interested parties an opportunity to comment on proposed regulations.



Other Workforce Development News

Senator Murray Introduces Pathways Bill

On September 25th, Senator Patty Murray (D-WA) introduced the “[Promoting Innovations to 21st Century Careers Act](#)” (S. 3573). The \$912 million bill would establish grants to help new and existing state and regional pathway partnerships develop and implement strategies to help high school-age youth advance through a broad range of post-secondary and career programs. The bill was co-sponsored by Senators Edward Kennedy (D-MA), Sherrod Brown (D-OH), Hillary Rodham Clinton (D-NY), and Bernard Sanders (I-VT).

The bill would establish one-year planning and five-year implementation grant programs for state pathways partnerships, which would in turn offer sub-grants to regional pathways partnerships. Partnerships would be comprised of a range of mandatory partners, including representatives of secondary and post-secondary educational institutions, business or trade organizations, workforce boards, labor organizations, high school students and parents. Mandatory activities include: establishing or enhancing career pathways for high school students in high skill, high demand industries; designating an intermediary to coordinate career pathways activities and identify career and academic counseling resources; and developing and implementing dropout recovery strategies for former high school students. Three-year transition grants would be made available on a competitive basis to state pathways partnerships at the end of their implementation grant period.

The bill would also establish a series of five-year supplemental grants for states to develop career pathways curricula; upgrade facilities and equipment; expand apprenticeship programs in high skill, high demand industries, and make one-stop centers more accessible to high school students. Under an agreement between the U.S. Departments of Labor, Education, and Commerce, a National Academic and Career Information Center would be created to manage the grant program, provide assistance to state and regional partnerships, and collect and disseminate best practices relating to career pathways.

TWA applauds Senator Murray for her attention to this important issue, and in particular for recognizing the need for multiple entry points into the labor market for high school-aged youth. However, TWA is concerned that the bill as introduced does little to expand career pathways options for working adults who are beyond the reach of the K-12 system. With two-thirds of the 2020 workforce—and nearly half of the 2030 workforce—already in the labor market, it is important that career pathways legislation be geared to help both current and future workers at all stages of their careers. TWA looks forward to working with Senator Murray to ensure that America’s workers and businesses can acquire the skills necessary to remain competitive in a global economy.

To read Senator Murray’s press release on the bill, please click [here](#).

TWA-Proposed Food Stamp Employment and Training (FSET) Changes Take Effect October 1

As we reported in our [May-June Washington Update](#), two TWA-proposed FSET program reforms included in the recently enacted Farm Bill reauthorization took effect on October 1, 2008. The first provision removed a restriction that prohibited voluntary FSET participants from participating in an FSET program for more than 120 hours per month. This limitation included time spent working for unsubsidized pay, meaning that individuals who worked 30 hours a week or more were ineligible to receive additional FSET services (or if receiving services, education and training providers could not be reimbursed for providing them). The new provision means that education and training organizations can serve food stamp recipients participating on a voluntary basis in an FSET program for more than 120 hours per month. A second change to the law clarifies that FSET funds may be used for the provision of post-employment job retention services for up to 90 days for individuals who gain employment. Previously, post-employment job retention services were not considered eligible for federal matching funds, which may have impacted the ability of some recipients to maintain employment.

It is clear that there is growing interest in the workforce community in FSET as a potentially important tool in providing education and training services and supports to food stamp recipients. However, some questions remain about how States can implement new program changes (new FSET regulations have not yet been released by USDA), as well as how to ensure expanded FSET programs best meet the needs of Food Stamp Program participants. TWA urges organizations interested in FSET to work with a broad set of stakeholders, including the local nutrition community, to maximize the long-term success and viability of the FSET program.

You can learn more about the FSET program and the new provisions [here](#).



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