



Washington Update

Developments in Federal Workforce Policy

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Workforce Investment Act

Senate Holds First Hearing on Workforce Investment Act Reauthorization; Oates, Kanter Testify on Need for Multiple Pathways for Workers

On Friday, July 17th, the Senate Health, Education, Labor and Pensions (HELP) Subcommittee on Employment and Workplace Safety hosted [its first hearing](#) on reauthorization of the Workforce Investment Act (WIA). The standing-room-only session featured testimony from Jane Oates, Assistant Secretary for Employment and Training at the U.S. Department of Labor, and Martha Kanter, Under Secretary of Education at the U.S. Department of Education, who provided some insights into administration priorities for reforming the nation's primary job training law. The presence of both the Departments of Labor and Education at the hearing was intended to demonstrate the Obama administration's commitment to ensuring much closer collaboration between these agencies on workforce issues, a point emphasized by both Assistant Secretary Oates and Under Secretary Kanter several times during their testimony.

In her [prepared remarks](#), Assistant Secretary Oates affirmed the Obama administration's support for WIA reauthorization, and articulated the administration's vision for a more effective workforce system, stating:

“We believe WIA reauthorization should create a modernized system that provides seamless career advancement services for low-skilled adults, at-risk youth, and dislocated workers and others needing employment, training and retraining services. ... Our approach will be to reach broadly across multiple departments, including the Departments of Education and Health and Human Services, to ensure that programs work harmoniously and effectively at the local level. For example, we believe customers should be able to access any federal education and training program, as well as education and training opportunities provided by community colleges, through the One-Stop system in a manner that supports the achievement of the individual's educational and career goals.”

Under Secretary Kanter's [testimony](#) also underscored the important of multiple educational and training pathways as part of WIA, noting in her prepared statement:

“As we look toward reauthorization, we must continue to recognize the interconnection between adult basic education and workforce development and provide services accordingly. Many examples exist where these goals intersect. For example, literacy training must be contextual, goal-oriented, and embedded into career and technical education and employment training. We must develop best practices for integrated career pathways and connect our under-skilled youth and students with disabilities to high-growth sectors.”

The Workforce Alliance applauds Assistant Secretary Oates and Under Secretary Kanter for drawing attention to the need for increased access to training, career pathways for all workers, and enhanced collaboration between our adult education, workforce development and higher education systems at all levels. As we noted in our recent “[Recovery to Reauthorization](#)” white paper, we have a unique opportunity to transform our nation’s workforce development and educational system to better meet the needs of U.S. businesses and workers, but the strict time limits on Recovery Act funding mean we have a short window for action. We will continue to work with Congress and the administration to move quickly to reauthorize WIA in a manner that is consistent with the transformative vision articulated in the Recovery Act, and we urge workforce development professionals to weigh in with their lawmakers on the importance of federal workforce development policies that match the labor market demands of the 21st century.



Higher Education

President Announces \$12 Billion Initiative to Strengthen Community Colleges; House Moves Quickly on Student Loan Bill Incorporating the President’s Proposals

In his joint address to Congress in February, President Obama challenged all Americans to commit to at least one year of postsecondary education and training, and set a goal for the United States to have the highest percentage of college graduates in the world by the year 2020. On July 14th, the President traveled to Macomb Community College in Michigan to announce a new initiative designed to help Americans meet these ambitious goals. The \$12 billion “[American Graduation Initiative](#)” is intended to boost the number of community college graduates by 5 million by 2020, and would provide significant funding for community colleges to develop programs that improve college completion and other employment and workforce outcomes for students, develop online curricula, and upgrade and improve facilities.

The President’s announcement was preceded by the release of a new report from the Council of Economic Advisors titled “[Preparing the Workers of Today for the Jobs of Tomorrow.](#)” The report notes that despite the significant economic challenges facing the nation, employment in some key sectors such as health care, green construction, and clean energy is expected to expand dramatically over the next few years. The report notes that a disproportionate number of family-supporting jobs require at least some postsecondary training, and argues that a more effective postsecondary education and training system would include ensuring that all students have access to financial support and supportive services, aligning various components of the postsecondary system to create career pathways for workers, and supporting sector-based training programs that ensure the skill needs of both workers and employers are being met.

Wasting little time, the House Education and Labor Committee on July 21st voted 30-17 to approve legislation that would incorporate many of the President’s community college proposals. The Student Aid and Fiscal Responsibility Act (HR 3221), introduced by Education and Labor Committee Chairman George Miller (D-CA), would convert the current system of subsidized

private education loans under the Federal Family Education Loan (FFEL) program into a system of direct loans originated by the federal government. The Congressional Budget Office estimates that this restructuring will generate \$87 billion in savings, which the bill applies to a range of early education, higher education, and workforce development programs. Programs of particular interest to workforce development professionals include:

- \$630 million a year for competitive four-year grants to community colleges, area career and technical education, and four-year colleges that offer two-year courses or partner with other eligible entities to allow them to carry out at least two of the following activities:
 - Developing and implementing policies to expand opportunities for students to earn bachelors degrees;
 - Expanding, enhancing, or creating academic programs, which may be carried out in partnership with employers, that provide relevant job-skill training in high-demand industries;
 - Providing student support services, including advising and counseling, and connecting students with community resources;
 - Creating workforce programs that provide a sequence of education and occupational credentials, including integrated or blended learning programs;
 - Building or enhancing linkages between adult or secondary education programs and eligible entities; and
 - Other innovative programs designed to increase postsecondary degree, certificate, and industry-recognized credentials.

The federal share of the grants would be 50 percent, with grant recipients required to make up the balance in cash or in kind contributions. The grant program is funded through Fiscal Year (FY) 2013, after which funding would be shifted to a series of competitive grants to states to allow states to implement community college reforms through FY 2019. The bill also includes \$50 million a year to award grants or establish partnerships with institutions of higher education and nonprofit organizations to develop free, high-quality online courses, and an additional \$50 million annual appropriation to establish a “Learning and Earning Research Center” and to fund the development and expansion of state longitudinal data systems to track employment and education outcomes among community students.

- \$600 million per year for FY 2010 through 2014 for a College Access and Completion Innovation Fund. Twenty-five percent of this total would be used to fund the existing College Access Challenge Grant program under the Higher Education Opportunity Act which provides formula grants to states and nonprofit organizations to assist low-income students to persist in college; 50 percent would be used for competitive grants to states to promote student persistence in and completion of postsecondary education; and 24 percent of funds would be allocated for a series of “Innovation in College Access and Completion National Activities” competitive grants, which would be awarded to nonprofit organizations, institutions of higher education, states, and other entities to advance programs that increase the number of individuals with postsecondary degrees or certificates.

- \$40 billion in additional funding for the Pell Grant program, allowing for an increase in the maximum individual award from \$5500 in 2010 to \$6900 in 2019. The bill would also link increases in the maximum Pell Grant award to increases in the Consumer Price Index.

In his FY 2010 budget request, the President had also recommended restructuring Pell Grants as a mandatory entitlement program rather than an annually appropriated discretionary program, but the House bill does not include this provision.

During the hearing, Representatives Dave Loebsack (D-IA) and Marcia Fudge (D-OH) successfully introduced an amendment that would give priority for State Innovation Completion Grants to entities that form industry or sector partnerships, and to clarify that community colleges may use community college reform grants to work with sector partnerships. Rep. Lynn Woolsey (D-CA) also successfully introduced an amendment that would prioritize grants under the bill for programs that targeted nontraditional students such as first generation college students, students who delayed enrollment in college, students who have dependents, students who work at least 25 hours per week, and students who are out-of-school youth without a high school diploma.

The Workforce Alliance [strongly supports](#) HR 3221, which will greatly expand the training and education opportunities for U.S. workers while ensuring businesses have access to the skilled workforce they need to remain competitive. We look forward to working with Congress to pass this vital legislation, which is expected to receive a vote in the full House shortly.



Budget and Appropriations

House Passes FY 2010 Labor-HHS Spending Bill; DOLETA Receives \$638 Million Boost over FY 2009

The House on July 24th approved the [Fiscal Year 2010](#) appropriations bill for the Departments of Labor, Health and Human Services, Education, and Related Agencies (HR 3293). The \$730 billion package provides \$163.4 billion in discretionary funds, including \$64.7 billion for the Department of Education, \$73.7 billion for Health and Human Services, and \$13.3 billion for the Department of Labor.

State formula funding under the Workforce Investment Act would be kept at FY 2009 levels, with \$861,540,000 for the Adult program, \$1,183,840,000 for the Dislocated Worker program, and \$924,069,000 for WIA Youth. Another \$215,051,000 is appropriated for the Dislocated Workers National Reserve. The bill would allow local boards to transfer up to 30 percent of funds between the Adult and Dislocated Worker funding streams, and would retain a provision included in the American Recovery and Reinvestment Act (Recovery Act) to allow local boards

to contract for training services with institutions of higher education and other eligible training providers. Formula funding for state Employment Services under the Wagner-Peyser Act remains level at \$703,576,000. Other major investments at the Department of Labor include:

- \$1.705 billion for the Office of Job Corps. The bill requires the Secretary of Labor to submit to Congress a plan to transfer administration of the Job Corps program from the Office of the Secretary to the Employment and Training Administration, as proposed by President Obama in his FY 2010 budget request.
- \$615 million for the Senior Community Service Employment Program, an increase of about \$43 million over FY 2009.
- \$130 million for a new Career Pathways Innovation Fund, which would provide competitive grants to community colleges and partnerships with adult education providers to prepare workers for jobs for high demand and emerging occupations. Of this total, \$65 million is to be allocated to programs in the health care sector, with a particular focus on nursing professions. The Career Pathways Fund replaces the Community-Based Job Training Grant program.
- \$100 million for YouthBuild, an increase of \$30 million over FY 2009 levels.
- \$50 million for activities to prepare workers for careers in energy efficiency and renewable energy fields, as described in the Green Jobs Act of 2007.
- \$50 million for transitional jobs programs to assist non-custodial parents and other workers with substantial barriers.
- \$15 million for the Workforce Data Quality Initiative, which is intended to help support the development and expansion of longitudinal data systems to help track educational and employment outcomes for individuals participating in workforce programs.

Significant workforce development and education provisions elsewhere in the bill include:

- \$628 million for Adult Basic Literacy Education State Grants, an increase of \$74 million over FY 2009. Of this total, \$75 million is to be set aside for the provision of integrated English language and civics education services for individuals with limited English proficiency.
- Increased funding for Pell Grants, allowing for a maximum award of \$5,500 in FY 2010, an increase of \$200 over FY 2009.
- \$530 million to Health and Human Services to address health professions workforce shortages, an increase of \$137 million over FY 2009. According to a summary prepared by committee staff, \$92 million of this total is to be allocated for nurse training.

The Workforce Alliance welcomes the increases in funding for education and job training in the House bill, particularly for the Career Pathways Innovation Fund and state adult education grants, and we applaud the committee for extending the Recovery Act provision to give contracting authority to local workforce investment boards. We also applaud the decision to maintain formula funding levels under WIA and Wagner-Peyser in the face of significant budgetary constraints. However, we note that the bill does not include funding for the Community College and Career Training and the Industry or Sector Partnership grant programs that were established as part of Trade Adjustment Assistance (TAA) reauthorization under the Recovery Act, nor does it provide funding for the Business Workforce Partnerships, Bridges from Jobs to Careers, and Student Success Grants programs that were established as part of higher education reauthorization in the last Congress. The Senate is slated to take up its version of the bill by the end of July, meaning there is still time to for workforce development professionals to weigh in with their senators and encourage them to support full funding for these programs under the Senate bill.



Other Workforce Development News

House Climate Change Bill Includes Substantial Investments in Job Training

By a narrow margin of 219-212, the House of Representatives in June passed the landmark [American Clean Energy and Security Act](#), which among other things would cap annual emissions of greenhouse gases and establish a market for emission permits, establish energy efficiency standards across a range of industries, and make significant investments in clean energy and energy efficient technologies. A [recent paper](#) by the Center for American Progress and the Political Economy Research Institute estimates that the bill could help generate up to 1.7 million jobs, many of which will be middle-skill jobs or lower-skill jobs with significant possibilities for career advancement. The bill would provide for a range of workforce development initiatives to help workers and businesses get the skills they need to fill these jobs, including:

- Establishing a Clean Energy Curriculum Development Grant program, which would provide competitive grants to partnerships of local educational agencies, higher education institutions, and representatives of the business and labor communities to develop programs of study in such fields as clean energy, renewable energy, and energy efficiency. (Sec. 421)
- Boosting the authorized annual funding level for activities under the Green Jobs Act from \$125 million to \$150 million, and establishes an “Energy Efficiency and Renewable Energy Worker Training Fund” at the Department of Treasury. The new fund will receive 0.75 percent of the proceeds for auctioned emission allowances in 2012 and 2013, which may equal as much as \$860 million. (Sec. 422)

- Supporting the development of an online information and resources clearinghouse for vocational education and job training in renewable energy sectors, to be administered by the Department of Labor in consultation with the Departments of Energy and Education. (Sec. 423)
- Establishing a three-year Green Construction Careers Demonstration Project to promote access and employment in the green construction sector for targeted populations, including individuals eligible to receive the Work Opportunity Tax Credit, displaced homemakers, and individuals residing in low-income households and communities. The Secretary of Labor would be authorized to establish minimum proportions of hours on federally supported construction projects to be worked by targeted individuals, and could require the use of project labor agreements on construction projects over \$25 million.
- Creating a Climate Change Worker Adjustment Assistance program - similar to the current Trade Adjustment Assistance program - for workers adversely affected by changes in federal climate policy. Covered workers would be eligible to receive a broad range of benefits, including job training, employment services, and income support. The program will be funded through the auction of 0.5 percent of emission allowances in years 2012-2021, and 1 percent of emission allowances in years 2022-2050. (Secs. 425, 426, 427).

The Senate is expected to take up its own version of the bill after the August recess, although prospects for success are unclear as a number of moderate Democrats have expressed strong reservations about the impact of the bill on business interests in their states. We will continue to update the field on developments related to this important legislation.

Department of Labor Announces Availability of \$220 Million for Health Care, High Growth Industries Grants

On July 22nd, the Department of Labor (DOL) issued a Solicitation for Grant Applications (SGA) for job training and related services to help workers enter and advance in careers in health care and other high growth and emerging industries. The grants are part of the \$750 million for competitive grants in high growth industries that was included in the American Recovery and Reinvestment Act; DOL has already issued \$500 million in SGAs for sector partnerships and other entities to implement green jobs training programs (read TWA's June 24th overview of the green jobs grants [here](#)).

The latest grant announcement will make \$220 million, of which \$25 million is reserved for communities impacted by auto industry restructuring, available to public and private nonprofit organizations to provide training and supportive services to unemployed workers, dislocated workers, and incumbent workers, including low-wage workers. Training must lead to career pathways within the health care sector—particularly nursing, allied health, long-term care, and health information technology—or within other high-growth, high-demand industries identified by applicants based on analysis of their state or regional economies. Projects must be implemented through strategic partnerships that must include at least one representative of the public workforce investment system, public and private employers, and the education and

training community, and which may include representatives from community- and faith-based organizations, labor, and social services agencies, among others. Applications are due October 5, 2009.

The Workforce Alliance hosted an Audio Update on July 24th to discuss these grants as well as the need for career pathways models and stronger integration of adult education, workforce development, and higher education systems as part of the Recovery Act and WIA reauthorization. If you missed this call, a recording will be available on TWA's [website](#) shortly.

President Obama Nominates Dann-Messier as OVAE Assistant Secretary

On June 24th, President Obama nominated Dr. Brenda Dann-Messier to serve as Assistant Secretary for Vocational and Adult Education at the Department of Education. Prior to her appointment, Dr. Dann-Messier had been serving as president of Dorcas Place, an adult and family learning center in Providence, RI. She previously served in the Department of Education as Regional Representative for Region I for former Secretary Richard Riley, at the Northeast and Islands Regional Educational Laboratory at Brown University, and headed two TRIO programs in Rhode Island.

The Workforce Alliance hopes the Senate will act quickly to confirm Dr. Dann-Messier's nomination to this important post, and we look forward to working with her office to strengthen the role of adult basic and vocational education as part of our broader national skills strategy.



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