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Congress Continues Efforts on Job Creation, Jobless Benefits

Although health care reform debate garnered the lion’s share of attention in Washington and around the country over the last few months, Congress continues to search for strategies to reduce high unemployment rates while providing assistance to individuals who have lost their jobs during the recent economic downturn. At least five major “jobs bills” have been passed by the House of Representatives since December 2009. However, progress on these bills has been significantly slower in the Senate, where growing concerns about deficit spending and the loss of the 60-vote majority have led Majority Leader Harry Reid (D-NV) and other Senate leaders to pursue a more modest jobs agenda.

The ***Jobs for Main Street Act*** (HR 2847) is an example of this dynamic. Originally passed by the House in December 2009, the then \$154 billion bill included a range of investments in infrastructure projects and state fiscal relief, as well as \$1.25 billion to support summer youth employment programs and competitive training grants modeled on the green jobs and health care grants authorized under the American Recovery and Reinvestment Act (“Recovery Act”). In February 2010, the Senate stripped out the House language and replaced it with a much smaller \$17.6 billion bill – the ***Hiring Incentives to Restore Employment (HIRE) Act*** – which primarily provides tax incentives for employers who agree to hire unemployed workers, and does not include additional funding for job training programs. Legislation based on the Senate-passed version of the bill was signed into law by President Obama on March 18, and is still the only “jobs bill” to reach the president’s desk so far this year.

Despite this relatively slow pace, there are still several job creation measures under consideration in Congress, many of which include key investments in job training programs that would help workers and businesses acquire the skills necessary to compete in today’s economy. Policymakers have been particularly interested in “earn-and-learn” strategies that allow workers to enter employment immediately while developing the skills to support longer-term career advancement, including on-the-job training (OJT) programs, summer youth employment, and subsidized employment under the Temporary Assistance for Needy Families (TANF) Emergency Fund. National Skills Coalition strongly supports efforts to include these



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critical strategies in job creation legislation, and released a [short analysis](#) of how these strategies can support economic recovery efforts earlier this month.

Key jobs bills include:

- The ***American Workers, State, and Business Relief Act*** (HR 4213), which provides a range of tax credit extensions for businesses, and would extend (through December 2010) unemployment insurance (UI) and COBRA health benefits for jobless workers that were originally authorized as part of the Recovery Act. Senators Patty Murray (D-WA) and John Kerry (D-MA) introduced a floor amendment to this bill to extend and increase funding for the TANF Emergency Fund and provide additional funding for summer youth employment, but it was not adopted. Both the House and Senate have approved versions of this legislation, and it is expected that the chambers will proceed to a conference committee to reconcile differences between the two bills in the coming weeks.
- The ***Small Business and Infrastructure Jobs Tax Act*** (HR 4849) is primarily focused on extending the “Build America Bond” program and providing other small business tax relief, but also includes an extension of the TANF Emergency Fund through September 2011, and provides an additional \$2.5 billion in funding to support the program. More than 30 states are developing or have implemented subsidized jobs programs using these funds, leading to employment for as many as 160,000 low-skilled workers. The current language would extend coverage to programs serving (1) individuals from needy families, regardless of whether they are receiving TANF benefits and (2) individuals who have exhausted (or will soon exhaust) UI eligibility. Passed by the House March 24; the Senate has not yet considered this bill.
- The ***Disaster Relief and Summer Jobs Act*** (HR 4899) provides supplemental appropriations to the Federal Emergency Management Agency (FEMA) for disaster relief, and would also provide \$600 million in Workforce Investment Act (WIA) Youth formula funding to support summer youth employment programs for an estimated 300,000 individuals between the ages of 16 and 24. Passed by the House March 24; the Senate has not yet considered the bill.
- The ***Local Jobs for America Act*** (HR 4812) was introduced in March by Rep. George Miller (D-CA), Chair of the House Education and Labor Committee, and would invest \$100 billion over two years to directly support the creation or retention of more than one million education, law enforcement, and other public service jobs. The bill would invest \$500 million to place 50,000 low-income workers into on-the-job training (OJT) activities as authorized under the Workforce Investment Act. National Skills Coalition has endorsed the

*HR 4213 would extend UI
and COBRA health
benefits through
December 2010*

bill; other organizations interested in supporting this bill may sign onto an [organizational letter](#) by contacting the Half in Ten Campaign.

In addition to slowing the progress of federal jobs bills, the political and fiscal climate has also significantly impacted congressional efforts to extend UI/COBRA benefits for out-of-work Americans. The expanded benefits established under the Recovery Act were originally slated to expire in December 2009, but in the face of continuing high unemployment Congress has kept the programs running through a series of temporary extensions. While such measures are generally non-controversial—the House voted 395-34 to approve the first bill, extending the programs through the end of February, and approved subsequent 30-day extensions by voice vote—Senate action on the last two extensions have been significantly delayed by procedural challenges led by Sen. Jim Bunning (R-KY) and Sen. Tom Coburn (R-OK), both of whom cited concerns about adding to the federal deficit. The timing of the Coburn stoppage was particularly harmful, as it came the day before Congress' spring recess; the Senate adjourned without completing work on the extension and allowed the programs to lapse for more than two weeks, depriving hundreds of thousands of unemployed workers and their families of access to critical benefits and supports. Congress ultimately was able to reauthorize the UI/COBRA provisions through the beginning of June, and made benefits retroactive for those who lost them during the lapse period, but it appears likely that future short-term extension efforts will face similar challenges. With unemployment levels projected to remain unacceptably high for the foreseeable future, National Skills Coalition strongly supports a long-term extension of Recovery Act UI/COBRA provisions to ensure that out-of-work Americans can continue to access these critical benefits without fear of further disruptions. We urge Congress to move quickly to complete work on the ***American Workers, State, and Business Relief Act***, or similar legislation that would extend these programs at least through the end of 2010.

Job creation strategies cannot succeed unless workers can acquire the skills they need to fill newly-created jobs

Given the fluid political landscape around job creation legislation, workforce development advocates should continue to weigh in with policymakers about the importance of job training and education programs as part of any federal jobs bills. While concerns about fiscal constraints cannot be taken lightly, the fact is that [job creation strategies cannot succeed unless workers can acquire the skills they need](#) to fill newly-created jobs, and employers can find qualified workers to fill current and future openings. National Skills Coalition looks forward to working with Congress and the Obama administration to identify opportunities for investment in education and job training programs, and we will continue to provide updates to the field on key workforce development legislation connected to job creation and economic recovery efforts.

Health Care and Education Reconciliation Bill Signed Into Law; Includes Funding for Pell Grants, Community Colleges

On March 30, President Obama signed into law the *Health Care and Education Reconciliation Act of 2010*. The reconciliation bill includes elements of the *Student Aid and Fiscal Responsibility Act* (SAFRA) – the legislation enacting the president’s American Graduation Initiative – originally passed by the House of Representatives in September 2009. The version of SAFRA included in the reconciliation bill would terminate the Federal Family Education Loan (FFEL) program, which offers subsidies to private student loan providers, and direct a significant portion of the resulting \$61 billion in savings to a range of education and job training programs. These investments will expand financial assistance for low- and moderate-income students, support programs to increase student access to and completion of postsecondary education, and provide new funding for community college job training programs.

Key workforce and education provisions include:

- \$36 billion for the federal Pell Grant program, of which \$13.5 billion is dedicated to reducing current funding shortfalls caused by increased demand. The remaining funds will be used to support mandatory annual increases in the Pell Grant maximum award, equal to the rate of inflation, culminating in an estimated maximum award of \$5,975 by the 2017-18 award year.
- \$500 million per year in fiscal years (FY) 2011-2014, for a total of \$2 billion, for the Community College and Career Training Grant Program established as part of the Trade Adjustment Assistance (TAA) reauthorization under the Recovery Act. The grant program is administered through the U. S. Department of Labor and supports competitive grants to community colleges and other higher education institutions to develop, offer, or improve educational or career training programs to workers who are eligible to receive training under TAA. The program was originally authorized at \$40 million for FY 2009 and 2010, but had not been previously funded. The TAA reauthorization also included a companion grant program, the Industry or Sector Partnership Grant Program, which would provide grants to support the development of sector partnerships in trade-impacted communities; National Skills Coalition is advocating for full funding for this program in FY 2011 to allow trade-impacted communities to leverage the broadest possible range of workforce development resources in responding to economic challenges.

- \$150 million per year in FY 2010-2014, for a total of \$750 million, for the College Access Challenge Grant program, which provides formula funding to states to support financial literacy, outreach, educational support, and other programs designed to help low-income students enter into, and succeed in, higher education. The program was established under the Higher Education Opportunity Act and was funded at \$66 million in 2008 and 2009.

National Skills Coalition applauds these vital investments as an important first step toward expanding access to postsecondary education and training for U.S. workers and businesses. However, we recognize that budgetary rules under the reconciliation process resulted in significantly reduced funding levels from what was originally proposed under the House-passed version of SAFRA and the loss of key legislative language that would have enhanced the ability of community colleges and other institutions to serve the workforce and economic development needs of their communities, including through strategic partnerships with industry and other stakeholders. National Skills Coalition looks forward to working with Congress and the Obama administration to implement the provisions that were included in the reconciliation bill while strengthening existing programs and policies to more effectively align with the demands of today's labor market.

DOL Announces Availability of \$90 Million for On-the-Job Training (OJT)

On April 12, the U.S. Department of Labor's Employment and Training Administration (ETA) [announced](#) the availability of \$90 million in Recovery Act-funded National Emergency Grants (NEGs) to help states develop and implement on-the-job training (OJT) programs for dislocated workers. ETA is particularly encouraging states to "start planning a strategic approach and a NEG application that would greatly expand OJT activities for hard-to-serve population with the greatest barriers to reemployment."

Although states will have until June 30, 2012 to expend OJT NEG award funds, the timeline to apply for the OJT grants will be very tight as ETA is required under the Recovery Act to obligate these funds by June 30 of this year.

ETA has established a two-tiered process for states to apply for grants under this program. States must first submit initial funding applications to ETA describing how the state would use OJT to provide workers with the opportunity to earn a paycheck and gain needed work experience while acquiring new skills. Upon receipt of an award, a state will have 60 days to submit a more detailed implementation plan addressing a range of issues, including how the state will:

- create OJT opportunities in the private and non-profit sectors (funds may not be used to create OJT opportunities in the public sector);
- create partnerships that develop additional recruitment and outreach services that will contribute to and support the creation of OJT opportunities; recruit suitable employers;
- serve areas disproportionately impacted by the current economic downturn;
- focus on populations with the greatest barriers to employment; and
- identify and develop a “skilled and diverse pipeline of workers” by drawing on the experience and expertise of CBOs and other intermediaries to both help recruit OJT NEG participants and to create OJT training opportunities.

States are allowed to expend no more than ten percent of awarded funds prior to approval of the state implementation plans. As part of their applications, states may submit waiver requests to reimburse employers for training costs at a rate up to 90 percent of the employee’s wages, rather than the statutory 50 percent, depending on employer size and the gap between a participant’s initial skill level and the skills required for the job.

National Skills Coalition [strongly supports](#) investments in OJT, and we look forward to continuing to work with Congress and the administration to ensure that [job training remains a key component](#) of our nation’s economic recovery strategy.

National Skills Coalition will provide additional details about the OJT NEG grant program as they become available.

Congressional Hearings Examine Training Strategies under UI, TANF

Two key congressional committees held hearings in April to explore how the Unemployment Insurance (UI) and Temporary Assistance for Needy Families (TANF) programs can expand access to education and training programs for unemployed and disadvantaged individuals.

On April 14, the Senate Finance Committee hosted a [hearing](#) entitled “Using Unemployment Insurance to Help Americans Get Back to Work: Creating Opportunities and Overcoming Challenges.” Jane Oates, Assistant Secretary for Employment and Training at the U.S. Department of Labor, [testified](#) on the critical role that the UI program has played in supporting out-of-work Americans, providing benefits to more than 30 million individuals since December 2007. She highlighted a

Jane Oates testified on the critical role that the UI program has played in supporting out-of-work Americans

number of strategies that states are using to encourage job growth through the UI program, including self-employment assistance allowances to support entrepreneurship, reemployment initiatives to connect UI claimants to training and job search services, and expanded access to Pell grants for unemployed workers. Oates also emphasized ETA's efforts to promote on-the-job training (OJT) through the WIA system, pointing to the recent NEG announcement and indicating that her agency has requested an additional \$500 million to support OJT activities.

Karen Lee, president of the National Association of State Workforce Agencies, provided [testimony](#) on how Washington and other states are using UI to support “shared work” programs, a layoff aversion strategy that allows employers to reduce hours for workers and lets workers collect partial benefits to compensate for lost wages. Lee also identified subsidized employment programs under the TANF Emergency Fund as a key strategy to reduce unemployment. Other witnesses included economist [Mark Zandi](#) and [Doug Holmes](#) of UWC-Strategic Services on Unemployment & Worker's Compensation, both of whom reinforced the value of training and reemployment strategies under UI.

On April 22, the House Ways and Means Subcommittee on Income Security and Family Support held a [hearing](#) to examine education and training policies under TANF. The hearing highlighted the key role that workforce development programs can play in helping TANF recipients get and keep family-sustaining jobs, and identified challenges facing these individuals under current policy.

The hearing opened with [testimony](#) from Rep. Gwen Moore (D-WI), who began her own college career while she was receiving assistance under TANF's predecessor, the Aid to Families with Dependent Children (AFDC) program. Rep. Moore offered a range of recommendations to ensure that TANF provides meaningful access to training and education services—particularly for women in the workforce and individuals living with disabilities—urging the committee to lift restrictions on states limiting the number of individuals participating in education and training programs, and extending the length of time individuals can participate in training under TANF from 12 to 24 months.

Rep. Moore was followed by Jacklynn Young, a current TANF recipient in Lacey, WA, who provided moving [testimony](#) on the ways restrictive TANF policies impact her ability to juggle work and parenting requirements with her pursuit of postsecondary education. Additional witnesses offered [recommendations](#) on updating TANF policies to respond to changing labor market conditions and improved training methods, and highlighted [effective approaches](#) to serving TANF recipients on the state and local levels.