POLITICO Pro

# Obama plans facelift of workforce education

By Maggie Severns

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The White House on Thursday announced more details about President Barack Obama's plans to give outdated federal workforce programs a facelift, plans he first outlined in his State of the Union address.

The new series of executive actions will attempt to redirect the nation's job training programs to prepare people for work in growing industries such as advanced manufacturing. The plans include devoting the final $500 million round of a community college grant competition laid out by the stimulus to boosting job-driven partnerships — programs that focus heavily on working with businesses to tailor training programs for local job openings. By July, Vice President Joe Biden will complete a review of all federal workforce programs that will include specific ideas on how to make workforce programs more jobs-driven. And the White House also plans to create a wide-ranging set of best practices that make workforce programs more driven by the labor market.

On Friday, business leaders, educators and others are scheduled to meet at the White House and will discuss the administration's new plans as one strategy for solving long-term unemployment.

Mike Tamasi, who is planning to attend, said he's seen the results from job-driven partnerships. He's filled openings at his high-tech contract manufacturing company in Massachusetts, AccuRounds, that way. He said he has been heavily involved in area partnerships and takes pride in his company's role in helping train and hire new people for the workforce.

It beats competing with other companies for a limited number of skilled workers, Tamasi said.

"If I take somebody from another guy, that's a zero-sum game. There's no progress when you look at that," he said.

The administration can't on its own overhaul jobs programs, which are laid out by the Workforce Investment Act. The law hasn't been updated since it was first passed in 1998.

But it will attempt to freshen up the law through a series of tweaks and redirecting the $500 million grant competition. The administration will also encourage business leaders, unions and government agencies to voluntarily get on board with its new priorities.

On Wednesday, Biden and second lady Jill Biden visited Monroe Community College in Rochester, N.Y., which is part of a strong job-driven partnership that has helped train workers for advanced manufacturing jobs in the area after major local employers including Kodak and Xerox experienced decline.

"Education by college is not the only path," Joe Biden said at Monroe, according to WXXI News, adding that manufacturing, infrastructure and IT jobs have "a totally different tilt to them" this century compared to last.

Advocates expect a flurry of other visits to job training sites by administration officials in the coming days and weeks. On Thursday, Obama visited a General Electric plant in Waukesha, Wis., a member of a regional job-driven partnership, where he praised the plant's apprenticeship programs for high school students and adults. He was also scheduled to visit McGavock High School in Tennessee, which has a career academies model to help prepare students for college and the workforce. On Friday, Treasury Secretary Jack Lew will tour the Commonwealth Center for Advanced Manufacturing in Virginia, another job-driven partnership site.

In the State of the Union, Obama called out a partnership in Detroit that has helped train more than 700 residents to work in high-tech manufacturing at a local company called Detroit Manufacturing Systems. Being able to hire a skilled workforce is "how it should be for every employer — and every job seeker," the president said in the speech.

The partnerships don't just involve manufacturing — successful programs include those in health care and information technology, among other industries. In San Francisco, for example, Jewish Vocational Service trains displaced workers for heath care jobs at the city's hospitals. It boasts that 80 percent of its trainees work in health care six months after completing the training, making an average of $40,000 a year.

But some doubt that the new spotlight on job-driven training will have much of an effect on the ground.

"It's less than meets the eye," said David Baime, senior vice president at the American Association of Community Colleges, particularly because community colleges already do many of the things the administration is focusing on.

Community colleges "understand that one of their ideas is to work with local businesses to understand that this is where they should be putting their limited dollars," Baime said. Some new competitive grant funding for community colleges would have been a big deal, but the "idea that there's any kind of a revolution here, it's just ridiculous," he added**.**

Alisha Hyslop, director of public policy at the Association for Career and Technical Education, supports the focus on job-driven partnerships. Other workforce programs also have proven effective but are chronically underfunded.

"We've seen initiatives like stackable credentials and boot camps be successful in training dislocated workers, and many of the programs that have had success just need resources in order to scale up," said Hyslop.

On Wednesday, Sen. Tom Harkin (D-Iowa.), chairman of the HELP Committee, offered advocates a glimmer of hope when he told reporters that reauthorizing WIA was his second priority for the year, behind minimum wage. Still, hopes are low among many that the House and Senate can reconcile stark differences in the two chambers' bills during ongoing conference talks.

"The conversation's very alive on Capitol Hill," Rep. George Miller (D-Calif.) said earlier this month, but Congress pays a lot of lip service to advanced manufacturing skills and hasn't shown the will to modernize workforce legislation.

# OPINION: Sectors act would help boost job training in US

*Written by Rick Jordan and Dallas Trinkle*
*Oct 12*

cincinnati.com

Gateway Community and Technical College's Center for Advanced Manufacturing provides advanced manufacturing training for current employees and to fill the talent pipeline in the region with the skills businesses need. / Enquirer file

Businesses in Northern Kentucky, from small firms to large corporations, have found we have something in common. We are all struggling to find enough workers with specific skills that will help our companies grow, even when there are many hard-working people in our community who are unemployed.

This is a problem that can be fixed. We've found the solution right here in Northern Kentucky, developing industry-led partnerships with education, training and community stakeholders to help our community's residents develop the skills they need for the good-paying jobs that businesses need to fill.

Nationally, 12 million people are out of work even though nearly 3.5 million jobs are going unfilled. According to a survey conducted by the Northern Kentucky Industrial Park Industry Partnership in 2012, in our region there are over 680 advanced manufacturing jobs that are going unfilled today, and in the next 10 years we will need to fill 6,250 jobs due to growth and baby boomers retiring. That's nearly six manufacturing jobs going unfilled per employer.

These are good-paying jobs. These positions have a starting wage from $40,000 to $60,000 per year with excellent benefits and wonderful advancement opportunities. However, we can't grow our businesses unless we fill these "middle-skill" jobs – positions that require more than a high-school diploma but not necessarily a four-year degree.

These jobs make up the largest share of our state's labor market. According to a report by National Skills Coalition, middle-skill jobs made up 54 percent of the jobs in Kentucky in 2009, but only 45 percent of workers had the skills to fill those jobs. Middle-skill jobs continue to make up over half of the jobs available in Kentucky. If we don't address this skills gap the problem will only continue. This is bad for workers, businesses and the economy.

If I can't find people with the latest technical credentials to fill those positions, I can't expand my business – which means I can't create new jobs. That is why I am joining Business Leaders United for Workforce Partnerships (BLU) in Washington, D.C., to give a first-hand account of how we are developing these training partnerships and to ask our nation's elected officials to do their part in helping us expand these efforts. BLU comprises employers from a range of industries who are concerned about our nation's skills gap, who are working with local partners to train and hire community residents for skilled jobs and who want our country's policymakers to follow suit and invest, aggressively and effectively, in the skills of America's workers.

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POLITICO

# The sequester's long, slow burn

By: Darren Samuelsohn
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So far the era of sequestration has meant furloughs for more than 800,000 federal workers and entire agencies shuttered for days — and those were the easy cuts.

There are nine more years of budget austerity to go and that means the federal government must dig in much tougher places to find savings — like forcing early retirements for workers and winding down grants that fund scientific research and allow states to keep infrastructure up to par.

“It’s a diet that gets worse every year,” said Barry Anderson, a former senior White House Office of Management and Budget official who made the previous sequestration cuts in 1991.

Next year’s cuts probably won’t create images on TV of long lines at airports or terrifying headlines about the threat of tainted meat — actual examples that rallied Congress and the White House earlier this spring to make sequester exceptions.

Plus, the cuts are coming as the economy improves, leaving sequestration opponents who say the recovery is too fragile to withstand a shrinking government with the argument that things could be better — but they can’t point to worse.

The result for Washington: Strap in for sequestration’s long, slow burn.

“As far as I can tell, we’re going to be operating under the sequester for the foreseeable future,” said Jim Manley, a former aide to Senate Majority Leader Harry Reid. “At some point, it’s going to start hurting. And if you look at local newspapers throughout the country, there are a lot of good programs being cut. But it’s all too local right now and hasn’t reached a critical mass in the national debate.”

Making matters worse: Washington’s attention has shifted away from the fiscal fight and the fallout that comes with $1.2 trillion slashed from the Pentagon and most domestic agencies. The budget debate will inevitably return when the fiscal year ends Sept. 30 and a House-Senate-White House deal is required to avert a government shutdown. House Republicans are also still demanding concessions from President Barack Obama before they approve an extension to the country’s debt limit.

But the notion of a grand bargain that turns off sequestration is also long gone. Obama has been stuck playing defense on a string of scandals while fighting to keep alive his second-term agenda. Capitol Hill leaders essentially tuned out months ago.

The partisan divide over sequestration has also only gotten deeper. Many Republicans normally wouldn’t accept Defense Department cuts, but even they say the cuts are already baked into the system to help curb the nation’s debt.

“It’s the only way we can get any kind of restraint on spending,” Senate Finance Committee ranking member Orrin Hatch (R-Utah) told POLITICO.

Missouri GOP Sen. Roy Blunt said he's fine with the cuts sticking around though he's looking for more ways to let the federal agencies maneuver around the underlying Budget Control Act requirement that is supposed to whack every program, project and account with the same size cut. Earlier this year, Blunt led the push to transfer funding at the Agriculture Department to ensure meat inspectors didn't get sent home for unpaid furlough days.

"I don't know that it's here for nine more years, but I think it's likely to be here for the rest of the Obama administration," Blunt said in an interview. "And the sooner that the administration deals with that fact and decides there are ways to make it work more smoothly and still maintain the same goals, the better off we'll be."

Under the Budget Control Act, congressional appropriators are supposed to take the lead for the next nine years in deciding where the spending cuts actually fall within each agency's budget — rather than the across-the-board cuts that the federal agencies had the job of implementing during the first year of sequestration.

But it's not a stretch to say lawmakers are chicken about being the ones to make those tough decisions. To even get started, Senate Democratic and House Republican leaders would need to leave their corners to get an agreement on a budget resolution and then begin moving spending bills under the same caps. Good luck on that.

"On the one hand, it's unthinkable that we would have nine years of continuing resolutions and I can't imagine that happening. But I also can't at this point see how we get to the alternative," said Robert Greenstein, executive director of the left-leaning Center on Budget and Policy Priorities.

Asked when he thought Congress might start moving spending bills again through regular order, Manley replied, "Tell me when the tea party is going to start losing its hold over the House Republican caucus and I'll give you that answer. But until that happens, a once-proud tradition is gone by the wayside."

For the federal agencies stung by the first wave of domestic cuts, nothing's been easy. They've spent several months grappling with how to best showcase what it means to take indiscriminate cuts of about 9 percent in nondefense and 13 percent in defense, highlighting the urgency of the problem but also not seeming like they're crying wolf. Reporters didn't waste any time dinging Obama and his Cabinet this spring for over-hyping concerns about the Capitol's janitors losing their overtime pay and teachers who already got pink slips.

But it's also true that the sequester does make a difference in everyday government operations. Ask the 680,000 civilian employees at the Defense Department who must take 11 days off without pay, or the IRS, HUD, EPA and OMB, which closed everything but essential services to give employees extended weekends for Memorial Day and, next month, the Fourth of July.

Sen. Jack Reed (D-R.I.) said in an interview that the federal agencies have been able to manage themselves as well as can be expected over the past four months. "But that flexibility diminishes with next year," he said. "The ability to manage through this thing becomes almost impossible, and then you see real significant deterioration across the board, defense programs and domestic programs."

Former George W. Bush White House spokesman Tony Fratto said the Obama administration has a tough challenge over the next three years. It doesn't want to concede the point that sequester doesn't hurt. But it also must be careful not to antagonize Congress to act every time it highlights trouble spots. "That puts the administration in a position of constantly having to identify impending harm and then Congress can rise to the challenge and make some of it go away," he said. "Unfortunately, that's the box everybody is in right now."

Making matters tougher for lawmakers and the White House is the improving U.S. economy and the shrinking debt, which sequestration was designed to address. There are also positive housing and job numbers that scramble the political playbook for Obama and Congress headed into the 2014 midterms. So in effect, sequestration has meant the country's economic recovery hasn't been as good as it could have been — but it's still better than before.

Economists differ on just how problematic the budget cuts will be over the next nine years.

Mark Zandi, chief economist for Moody's Analytics, said he expects private-sector growth will help compensate for federal spending cuts. "We're cutting into services that are important to communities and people and businesses. But from a macro-economic perspective, … I think the effects will fade when we get into the middle of the decade," he said.

Others warn the U.S. isn't out of trouble. There are large numbers of unemployed Americans and already low interest rates that seemingly have nowhere to go but up. With the global economy still on the edge, leaving the U.S. budget cuts untouched through 2023 could pose problems for a sustained recovery.

"This is not the time for austerity or further cutbacks," Lawrence Summers, the former top Obama White House economic adviser and former Clinton administration treasury secretary, recently told the Senate Budget Committee.

He warned that less spending over the next decade will leave the U.S. struggling to stay competitive across a range of issues, predicting for example that the U.S. would pay more for prisons "because of the cutbacks in Head Start."

Addressing Democratic Sen. Patty Murray, the committee chairwoman whose home state of Washington is dealing with the collapse of a bridge on Interstate 5 north of Seattle, Summers noted, "It is much cheaper, it would've been much cheaper, to have fixed that bridge in your state than it is to build a new one."

Benjamin Corb, a spokesman for the American Society for Biochemistry and Molecular Biology, said medical researchers face a similar concern if their grant money keeps drying up from the likes of the National Institutes of Health and National Science Foundation.

"Ten years from now, when we're saying I thought we were on the cusp of having a cure for cancer, or the cusp of slowing Alzheimer's or diabetes or whatever the ailment is where we hear so much promise about the research today, we're not going to be crossing the finish line anytime soon because of this," he said.

Reed, chairman of the Senate Appropriations Subcommittee with jurisdiction over the Interior Department and EPA budgets, warned that 10 years of spending cuts will put a big crimp in the country's ability to fight forest fires, a problem that scientists say is exacerbated by climate change. "Ironically, some of the staunchest proponents of sequestration would be among the loudest for more funding for forest fires," he said, acknowledging that he's referring to Western Republican lawmakers.

Anderson, now the deputy director of the National Governors Association, said he's advising cash-strapped governors that they "shouldn't count on being bailed out" from the federal government. That's because the administration will have an even tougher job over the next nine years coping with the budget cuts compared with this year.

There probably won't be more furloughs, Anderson said. Instead, he expects agencies to freeze hiring, force early retirements and, when adding to their ranks, to bring people in with lower experience levels.

But Anderson also credited the Obama administration with what appears to be a more proactive stance to get ready for the next round of budget cuts. He pointed to a **memo** sent in May to federal agency and department heads from new OMB Director Sylvia Mathews Burwell asking for budget recommendations for fiscal year 2015 that take into account cuts of both 5 percent and 10 percent.

"Your budget submission will provide the president with the options needed to make the hard choices necessary to adhere to the BCA's discretionary funding levels, invest in priority areas, and focus on programs that work," she wrote.

The fact that OMB took this step represents a big change from last year and even early 2013 — when OMB and the White House stuck to the party line that they'd strike a deal to avert sequestration. "If you plan for it, it makes a world of difference," Anderson, the former OMB official, said.

As they ready for next year, the Obama administration, Congress and outside groups are struggling to find good examples of sequestration that resonate with the public.

White House spokesman Matt Lehrich cited a range of programs hurt by the cuts, including children booted from Head Start, spending cuts for the Meals on Wheels program and strains on military families who have have been furloughed. "The impacts of cuts under sequestration are being felt across the country," he said.

But Obama officials are still looking for more data and are using the White House **website** to encourage the public to submit their own horror stories. Advocates for domestic funding programs said they've been asked by White House aides to give more examples too, though it's tough putting a human face on sequestration.

When contacting their members outside the Beltway, many respond by saying they are used to less money because of budget cuts at the state and local government level. There's also a fear of speaking up because it could leave the impression with Congress and federal agencies that the programs are poor performers that would be acceptable to keep cutting.

"Collecting stories has been incredibly difficult," said Rachel Gragg, federal policy director at the National Skills Coalition. "I'll be honest, we've got a lot of people who said, '5 percent? Well, that's no so bad. We're used to cuts. We'll figure out a way to get by.'"

"There's no quick sound bite answer," said Christine Leonard, a former senior Obama

White House legislative aide in the Office of National Drug Control Policy and now the Washington director for the Vera Institute of Justice, which works on criminal justice issues. After surveying her members, she found many were struggling to draw a direct line between sequestration and any reductions they've had to make in services.

Noelle Ellerson, assistant director for policy analysis and advocacy at the American Association of School Administrators, said it's "just a little less sexy to cover the impact of the sequester of schools," noting budget cuts for several years running. "What do you take a picture of? A classroom of 33 kids instead of 29?" she said. "Visually, it's not that stimulating."