Federal Workforce and Education Policy Update

December 14, 2017
Key Topics

- Fiscal Year 2018 appropriations
- Tax Reform
- Apprenticeship EO
- HEA/Pell reauthorization
- Perkins Act reauthorization
- Farm Bill reauthorization, welfare reform
The Landscape in Washington

• Republican control of WH, Congress, but margin in Senate very slim (52-48)
• Focus on reconciliation (health care, tax reform) to avoid filibuster – but sharpens partisan divide
• Limited guidance from Administration – major agency roles unfilled
• Skills remain bipartisan issue, though differences on paths forward
FY 2018 Appropriations

- Trump budget
  - Cuts DOL by $2.5B (21 percent), including 40 percent cuts to WIOA formula grants
  - Cuts ED by $9B (13 percent), including 15 percent cut to Perkins state grants, 16 percent cut to ABE state grants
  - Proposes cuts of $194B over ten years to SNAP
  - $2.2B in cuts to TANF
FY 2018 Appropriations (cont.)

• House Labor-HHS-Ed
  – Cuts WIOA Title I formula grants by 3%
  – Eliminates Title III funding, apprenticeship
  – Rescinds $3.3B in Pell funding

• Senate Labor-HHS-Ed
  – Largely maintains current funding levels for WIOA, other key programs
  – Rescinds $2.6B from Pell but increases max award

• BCA budget caps remain an issue; DACA resolution possible

• Continuing resolution through December 22th, then…?
Why this Matters…

America’s workforce:
We can’t compete if we cut.

- **WIA/WIOA FORMULA FUNDS**
  - FY2001: $4.47 billion
  - FY2009: $3.38 billion
  - FY2017: $2.71 billion
  - Proposed cuts in FY2018: $1.63 billion

- **PERKINS CTE**
  - FY2001: $1.68 billion
  - FY2009: $1.44 billion
  - FY2017: $1.12 billion
  - Proposed cuts in FY2018: $950 million

- **ADULT EDUCATION**
  - FY2001: $744 million
  - FY2009: $630 million
  - FY2017: $582 million
  - Proposed cuts in FY2018: $486 million

*Numbers adjusted for inflation*
Tax Reform

- House bill
  - Repeal Work Opportunity Tax Credit
  - Repeal Section 127
  - Eliminate Life Long Learning credit, but maintains AOTC
- Senate bill does not change those provisions, but may agree to them in conference
- Longer-term concerns – PAYGO, welfare “reform”
Apprenticeship Executive Order

- Authorizes DOL to issue regulations for “industry-recognized” apprenticeships
- Establishes task force on apprenticeship expansion
- Directs ~$100M in H-1B funds to support expansion
- Requires federal agencies to evaluate current training programs, propose elimination of “ineffective” programs
Higher Education Act

• House PROSPER Act
  – Apprenticeship grants
  – Restructure student aid, including Pell
  – Ability to Benefit
  – Federal Work-Study
• Senate expected to begin work in 1Q 2018, though difficult path to 60 votes
Perkins Act Reauthorization

- House bill unanimously passed May 17
- Aligns postsecondary metrics with WIOA, supports career pathways, and strengthens connection with state workforce plans
- Senate progress stalled – concerns over EDSec role, potential changes to funding formula and structure
Welfare “Reform”?

• Strong interest from WH, Congressional leaders in cutting back SNAP, Medicaid, other benefits – including through new work requirements
• Farm Bill reauthorization (SNAP) may happen in early 2018
• Next steps from the Administration – waivers and possible executive order?
What Can You Do?

• Sign on to our FY’18 appropriations letter
• Invite lawmakers to visit – show them what you do
• Come to our Skills Summit in February!
Q&A

Register for the **2018 Skills Summit**

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