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GENERAL MEMORANDUM 12-073

Workforce Investment Act Reauthorization Approved by House Committee

On June 7, 2012, the House Education and Workforce Committee approved HR 4297, the Workforce Investment Improvement Act of 2012. The vote was 23 to 15, with all Republicans voting in favor of the bill and all Democrats against it. Two amendments regarding Indian/Native Hawaiian funding were offered in Committee, one of which was adopted.

The Workforce Investment Act (WIA) is designed to increase coordination among federal workforce development programs through a One-Stop delivery system. Activities may include basic education services, classroom and on-the-job training, counseling, job search assistance, and vocational rehabilitation services. The WIA authorization expired in 2003 but Congress has continued to appropriate funding. The House and Senate approved differing WIA bills in the 108th and 109th Congresses but failed to agree on a final bill. It remains to be seen whether the current (112th) Congress will reach an agreement.

HR 4297, introduced by Representative Foxx (R-NC), is designed to streamline administration of job training programs. It would repeal the authorization for 27 programs¹ and consolidate their funding into a single Workforce Investment Fund. The bill would strengthen state control and increase the representation (from 51 to 66 percent) of business leaders on state and local Workforce Investment Boards. Democratic opposition to the bill centers on the dismantling of the current youth workforce system (the bill encourages states to allocate 18 percent of their funds for competitive Statewide Youth Challenge grants), the change in membership of the Workforce Investment Boards (feeling that non-employer stakeholders will be marginalized) and the possibility that various groups now served by the repealed programs would not receive sufficient services.

¹ 1) WIA Adult; (2) WIA Youth; (3) WIA Dislocated Workers; (4) Wagner-Peyser (employment Services); (5) H-1B Job training Grants; (6) SNAP Employment and Training; (7) Senior Community Service Employment Program; (8) Environmental Workforce Development and Job Training Grants; (9) Women in Apprenticeship and Nontraditional Occupations; (10) Veterans Workforce Investment Program; (11) WIA Pilot and Demonstration Projects; (12) Community-Based Job Training Grants; (13) National Farmworker Jobs Program; (14) Reintegration of Ex-Offenders; (15) Native American Employment and Training; (16) Grants to States for Training for Incarcerated Individuals; (17) Job corps; (18) YouthBuild; (19) Youth Conservation Corps; (20) Second Chance Act Prisoner Reentry Initiative; (21) Refugee and Entrant Assistance – Targeted Assistance Grants; (22) Refugee and Entrant Assistance – Social Services Program; (23) Refugee and Entrant Assistance – Social Services Program; (24) Workforce Innovation Fund; (25) Green Jobs Act; (26) National Institute for Literacy; and (27) Youth Opportunity Job Grants. (Source: House Education and Labor Committee summary of HR 4297).

Tribal Program. Among the programs whose statutory authorization would be repealed is the Native American Employment and Training program (Section 166 of the WIA). As introduced, the bill would instead allow the Secretary of Labor to allocate a *maximum* of one percent of appropriated funds to tribes and Native Hawaiian organizations. The bill was amended in Committee by Representative Noem (R-SD) to increase this to a maximum of *two* percent. Representative Kildee (D-MI) countered with an amendment that would have: 1) mandated a *guaranteed minimum*, rather than a maximum, of two percent, and 2) restored the statutory authorization for the Section 166 program. Current law requires that the funds authorized in Section 166 be distributed in a manner that is consistent with the Indian Self-Determination Act and specifically authorizes tribes to include WIA funding in their PL 102-477 consolidated programs. The Kildee amendment lost on a party line vote. As the bill now stands, a Secretary of Labor could allocate anything from zero to two percent of funds for tribes and Native Hawaiian organizations and new rules or guidance would need to be developed for this allocation.

Title I WIA programs include Workforce Investment Systems and Job Corps, for which Congress appropriated \$4.9 billion in FY 2012. Tribes receive two main sources of funding under Title I, and in FY 2012 received \$60 million for the following two programs combined:

- *Comprehensive Services Program* (referred to as the "adult" program although it serves adults and youth) for American Indians, Alaska Natives and Hawaiian Natives in all parts of the country, both on- and off-reservation. FY 2012 tribal funding was \$47.6 million (\$5 million below FY 2011).
- *Supplemental Youth Services* for Native American youth, ages 14 to 21, on or near Indian reservations and in Oklahoma, Alaska, and Hawaii. FY 2012 funding was \$12.4 million (\$1.4 million below FY 2010).

Tribes and Indian individuals also benefit from other services that are proposed to be in the consolidated program, notably Jobs Corps² and YouthBuild.

HR 4297 would authorize \$6 billion for the Title I WIA programs. Under the best case scenario, the tribal/Native Hawaiian allocation could be up to \$120 million; that is *if* Congress appropriated the full \$6 billion and *if* the Secretary of Labor provided the full two percent.

The bill would also amend the Adult Education and Literacy program (Title II) and the Vocational Rehabilitation program (Title V) which are administered by the Department of Education. The Adult Education and Literacy Program received

² Many of the 125 Job Corps Centers are administered via competitive grants by private organizations; USDA also administers a significant number of the Centers. Several tribes administer Job Corps Centers.

\$607 million and the Vocational Rehabilitation program received \$308 billion in FY 2012. The bill would leave intact the Vocational Rehabilitation funding allocation for tribes of one to 1.5 percent. The FY 2011 tribal allocation was \$43 million.

The bill would prohibit consolidation of Perkins Career and Technical Education and Vocational Rehabilitation funds into the proposed Workforce Investment Fund although they would be taken into account in the development of state plans.

At this point HR 4297 is not scheduled for a House floor vote and in fact several other House committees will likely want to weigh in on selected portions of the bill. There is no Senate equivalent bill although last year a draft Senate bill was circulated.

Please let us know if we may provide additional information or assistance regarding reauthorization of the Workforce Investment Act.

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