



## **Message to Convey and Talking Points for the \$335 Million Rescission to Workforce Programs in the FY 2008 Appropriations House Labor-HHS-Education Bill**

### **The following message should be conveyed:**

- It is critical for your Senators and Representatives to see first-hand the value of the investment they have made in the local workforce system.
- **Members must be made aware of the devastating impact the \$335 million rescission will have on local areas and constituents on top of those cuts.**
- Members should take back to appropriators the importance of maintaining current funding levels for workforce programs.
- Members need to be informed that WIA needs bi-partisan reauthorization in this Congressional session. They must be made aware that without reauthorization, over time the appropriations for workforce programs will be the target for cuts to offset other programs.

### **Talking Points:**

- I am happy that both the Appropriations Labor-Health and Human Services-Education Subcommittee and full Appropriations Committee did not follow the recommendations of the President's budget request to cut nearly \$1 billion for key Workforce Investment Act (WIA) programs and the Employment Service. A skilled workforce is essential to our nation's economic security and these proposed funding cuts will seriously undermine our ability to compete in the global economy.
- The U.S. Department of Labor argues that the \$335 million rescission will have virtually no impact on services offered by the local workforce system because of the continuing level of carryover funding in the system.
- Since PY 2000 (July 2000-June 2001), WIA's unexpended balances have decreased each year from \$1.74 billion to \$1.14 billion for PY 2004, more than a one-third reduction. As a percentage of total funds available for expenditure, carryover has declined even more, from 43% to 27% of funds available.
- Most states are now exceeding the proposed "accrued expenditure rates" proposed in both the House and Senate WIA reauthorization bills and signed off on by DOL.

- **Carry over funding is to support carry over training.** Carryover was an intentional spending strategy built into WIA as a planned management strategy to assure proper and consistent operation of the workforce system. The WIA system must respond to economic events such as unanticipated plant closings, mass layoffs, or disaster relief for which some funds must be held in reserve to enable immediate response. The system also provides training for jobseekers that spans more than a single Program Year -- at the point in time when carryover is determined (June 30 of each program year), many workers are midway through training, which appears as “carryover” even though those funds are already legally obligated.
- WIA provides its business-led workforce boards with multiple years to spend formula funds, allowing for long-term planning to meet the training needs of their states and local economies.
- If approved, the rescission will have a drastic impact on the ability of the local workforce system to train our most valuable economic resource, our workers. This state alone will have to return \_\_\_\_\_. **More importantly, in your district, we will lose \$\_\_\_\_\_ and as a result** *(This is where you would use the numbers impacted with a 1/3 of carryover taken away)*
  - Services to \_\_\_\_\_ *(include number of people who are served)* constituents actively looking for work and in need of job placement and/or training through \_\_\_\_\_ One Stop Centers will be significantly reduced.
  - Specifically, training to \_\_\_\_\_ people will cease.
  - The services that would not longer be able to be provided include: \_\_\_\_\_ *(Include a list of services impacted)*
- In addition, the strong partnerships we have with the private sector *(insert local examples of business partnerships here)* will be adversely affected by our decreased ability to provide services and skilled workers for them. *(Supply as much information about how these cuts will impact local business as possible.)*
- We recognize that tough choices need to be made this fiscal year in this difficult funding environment. However, nothing is more important to our economic strength than investing in a skilled workforce.
- I urge you to reject the rescission of critical dollars to WIA programs as you look to conference the Labor-HHS appropriations bill and make full funding of the existing workforce system a top priority.
- Thank you in advance for your consideration of this matter of great importance to residents in **ADD CITY/WORKFORCE AREA** . If you, or your staff, have any questions please contact me directly.