

The workforce system in the 110th Congress

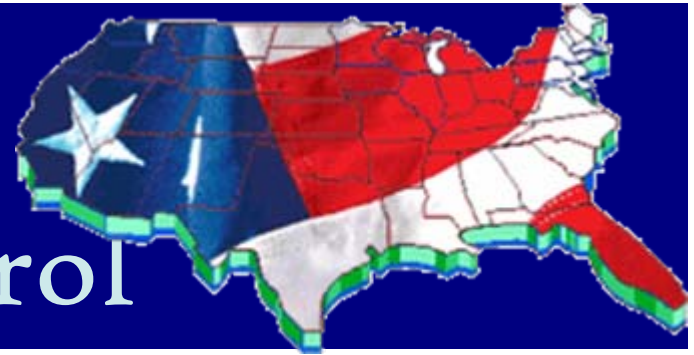
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2006 Elections – Democrats take control



Party Comparison Pre and Post Election

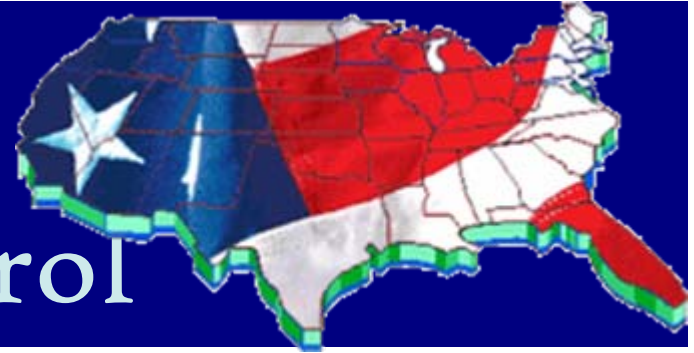
Pre Election

	Senate	House	Governors
Democrats	44	202	22
Republicans	55	232	28
Independents	1	0	0

Post Election

	Senate	House	Governors
Democrats	49 (+6)	232 (+29)	28 (+6)
Republicans	49	203	22
Independents	2	0	0

2006 Elections – Democrats take control



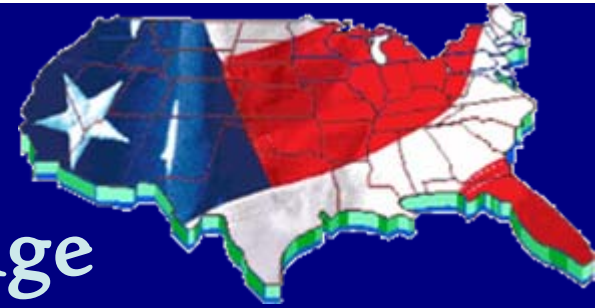
2006 elections – a landslide or an
audition to govern for Democrats?

Historical gains for President's party in sixth year of a
Presidential term:

- 29 House seats
- 6 Senate seats

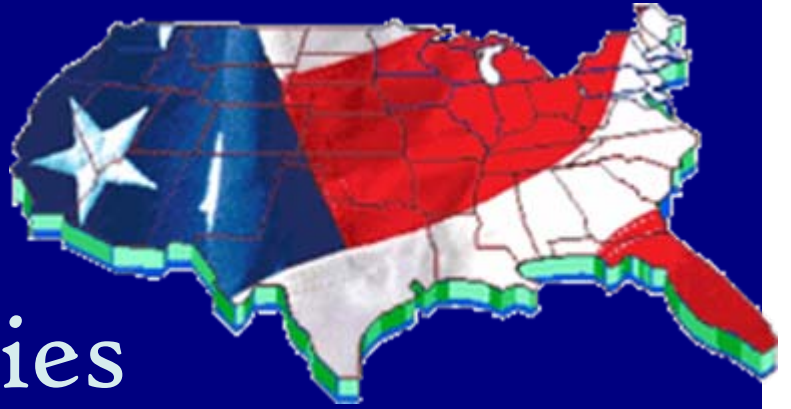
2006 mirrors these typical historic losses

2006 Elections – Exit Polling, A Vote for Change



- President Bush and the war in Iraq were key to the outcome.
- 60 percent saying national issues mattered most to their vote, while 34 percent said local issues mattered most.
- Independents, who make up 26 percent of the national electorate, were the swing constituency. They voted for Democrats by a 59 percent to 37 percent margin.
- Late-deciding voters went decisively for Democrats.
- 36% approved of Congressional job performance, 61 percent disapproved. Of those who disapproved, 71 percent voted for the Democratic House candidate. Of those who approved, 71 percent voted for the Republican House candidate.
- Republicans held their religious base, losing only 4 points below the 2004 election among evangelicals.

House and Senate Leadership: Post-Election Realities



Realities for Democrats in the majority

Competing factions

- Blue Dogs
- Progressive Caucus
- Congressional Black Caucus
- Old Bulls
- Budget and Appropriations Committees -
commitment to fiscal discipline
- Rebuilding the military

House and Senate Leadership: Post-Election Realities



Republicans in the minority

- “Earn it back”
- **Two year minority**
- More conservative party than in previous Congress, many moderates lost their seats.
- **Return to core conservative principles – smaller government, lower taxes**
- Tight margins make it easier to block Democrats agenda

House and Senate Leadership: Post-Election Realities



Bush Administration

- **Lame duck status.**
- **Budget proposals dead on arrival.**
- **Priorities less relevant, Congressional Republicans have indicated they will not march in lock step with Administration while in minority.**
- **Will be more likely to use veto power with Democrats in control, particularly on spending bills.**

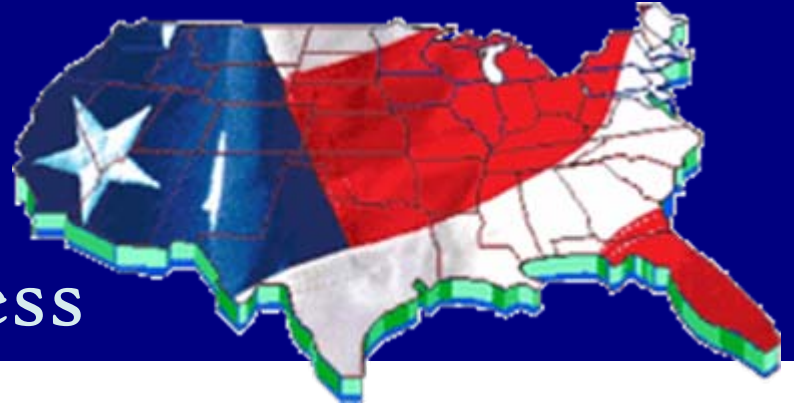
House and Senate Leadership: Post-Election Realities



Heightened Partisanship

- Tighter majorities in the House and Senate make it easier to block Democrats agenda
- Tensions already rising in the House regarding Democrats authoritarian approach on the floor
- Result - Party line votes on key measures

House Democrats Quickly Pass “100 Hour Agenda” in new Congress



- Lobbying reform
- **Minimum wage increase**
- Implement 9-11 Commission recommendations
- **Revise Medicare Act to allow states to negotiate prescription drug prices**
- Cut student loan interest rates
- **Eliminate subsidies to oil companies**
- **PAYGO**
- **Allow stem cell research**

Senate slower pace for Passage of “100 hour Agenda Items



- **Minimum wage increase**
- **Lobbying reform**
- **Expanded funding for stem cell research**

“100 hour” Agenda Still awaiting enactment



- While the House and Senate have separately completed individual 100 hour agenda items, only the minimum wage increase has become law
- Many difficult issues now face a closely divided Congress

Top Congressional Funding priorities so far this year



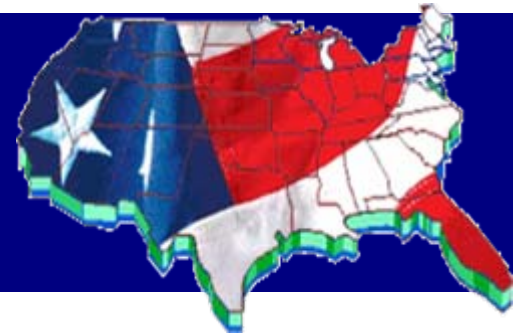
- **FY 08 Budget Resolution**
- **FY 08 Appropriations bills**

Congressional Budget Resolution



- Democratic leaders viewed passage of the Budget Resolution as critical to show they can govern effectively
- House and Senate complete separate bills on nearly party line votes
- \$23 billion added for domestic discretionary spending above the Administration's request level.

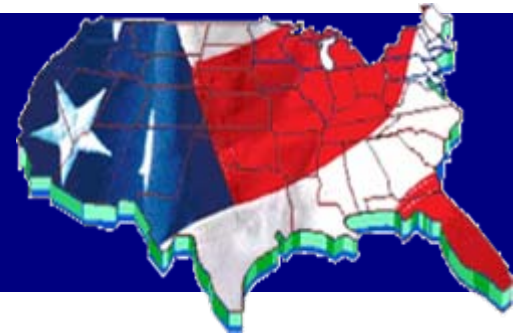
Appropriations



Significant funding increase for Labor-HHS Appropriations Subcommittee

- House Appropriations Chairman David Obey (D-WI) allocated \$10.2 billion more for the Labor-HHS Subcommittee than the Administration requested. It is a 4.8% increase above current funding levels (\$6.6 billion).
- Senate Appropriations Chairman Robert Byrd (D-WV) allocated \$8.3 billion more for the Labor-HHS Subcommittee than the Administration requested a 3% increase (\$4.7 billion above current levels).

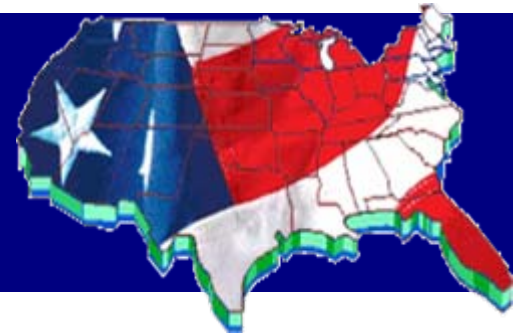
Appropriations



Funding for discretionary programs will still be highly competitive under Democrats

➤ Even with the increased funding allocation for the Labor-HHS Subcommittee, there is huge pressure from interest groups for even more funding for their programs

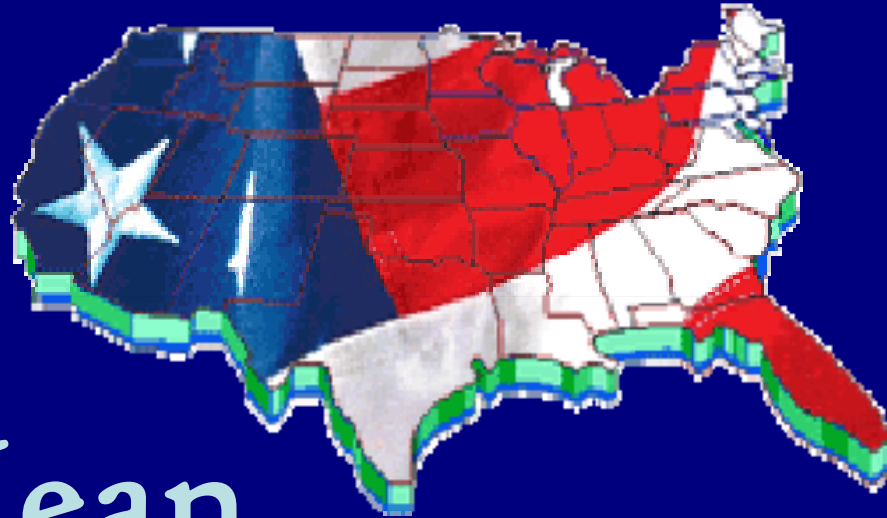
Appropriations



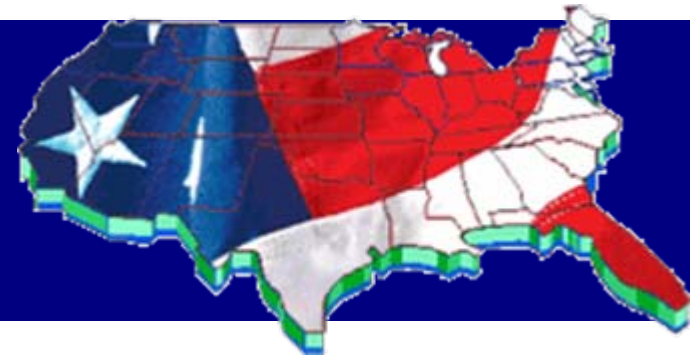
Bush threatens veto of any appropriations bill exceeding his funding request

- Administration has threatened to veto at least nine of twelve appropriations bills, including Labor-HHS

What
Does
It All Mean
For Workforce?



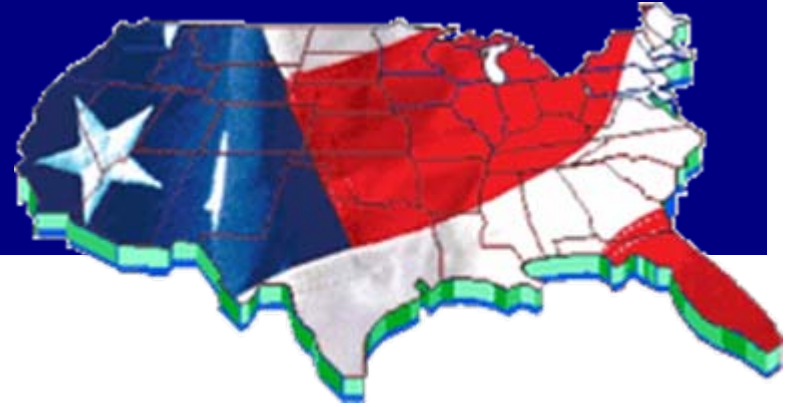
Workforce System - Major Issues



Major Issues of Concern

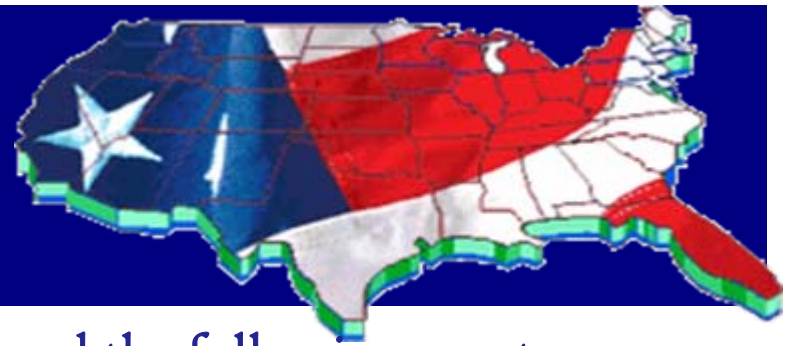
1. Stabilize WIA Funding
2. Reauthorization of WIA

Labor-HHS Appropriations



- Appropriations Chairman Byrd and Obey originally intended to finish their bills on time this year.
- **The House passed its version on the floor July 19 276-140.**
- The Senate Appropriations Committee completed its markup of the Labor-HHS bill, passing it 25-3
- **However, President Bush's veto threat has stopped further progress on the bills- as a result, a long Autumn stalemate will occur before the funding process is concluded this year.**

House Labor HHS Language



➤ Sec. 105. The Secretary of Labor shall award the following grants on a competitive basis: (1) Community-Based Job Training Grants awarded from amounts provided for such purpose under this title; and (2) grants during fiscal or program year 2008 under section 414(c) of the American Competitiveness and Workforce Improvement Act of 1998 (29 U.S.C. 2916 note), as amended by section 428 of the Consolidated Appropriations Act, 2005 (Public Law 108-447).

➤ Sec. 106. None of the funds made available to the Department of Labor for grants under section 414(c) of the American Competitiveness and Workforce Improvement Act of 1998 (29 U.S.C. 2916 note) may be used for any purpose other than training in the occupations and industries for which employers are using H-1B visas to hire foreign workers, and the related activities necessary to support such training: *Provided*, That the preceding limitation shall not apply to grants awarded under section 107 of this title and to multi-year grants awarded in response to competitive solicitations issued prior to April 15, 2007.

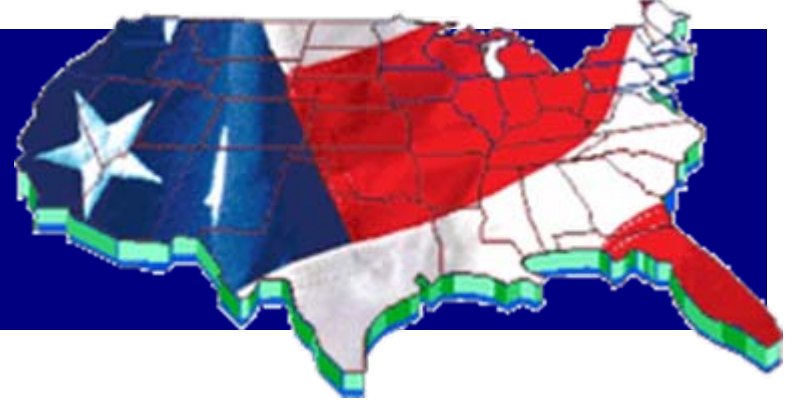
House Labor HHS Language



➤ Sec. 108. The Secretary of Labor shall take no action to amend, through regulatory or administration action, the definition established in 20 CFR 667.220 for functions and activities under title I of the Workforce Investment Act of 1998, or to modify, through regulatory or administrative action, the procedure for redesignation of local areas as specified in subtitle B of title I of the Act (including applying the standards specified in section 116(a)(3)(B) of such Act, but notwithstanding the time limits specified in section 116(a)(3)(B) of such Act (29 U.S.C. 2831), until such time as legislation reauthorizing such Act is enacted.

➤ Sec. 109. None of the funds made available in this or any other Act shall be available to finalize or implement any proposed regulation under the Workforce Investment Act of 1998, Wagner-Peyser Act of 1933, or the Trade Adjustment Assistance Reform Act of 2002 until such time as legislation reauthorizing the Workforce Investment Act of 1998 and the Trade Adjustment Assistance Reform Act of 2002 is enacted.

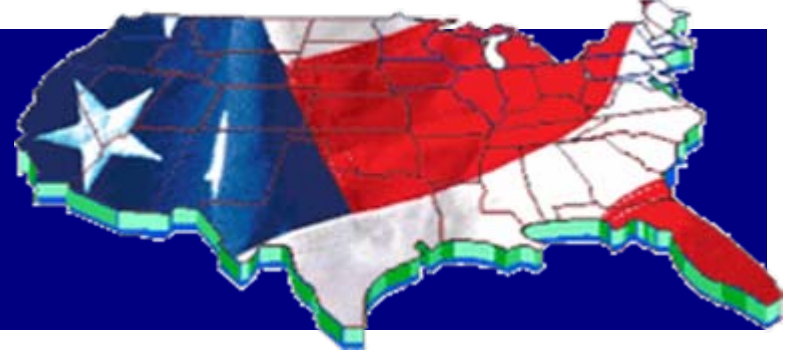
Senate Labor HHS Language



➤ SEC. 106. None of the funds available in this Act or available to the Secretary of Labor from other sources for Community College Initiative Grants, Community-Based Job Training Grants, and grants authorized under section 414(c) of the American Competitiveness and Workforce Improvement Act of 1998 shall be obligated for a grant awarded on a non-competitive basis.

➤ SEC. 107. None of the funds made available in this or any other Act shall be available to finalize or implement any proposed regulation under the Workforce Investment Act of 1998, Wagner-Peyser Act of 1933, or the Trade Adjustment Assistance Reform Act of 2002 until such time as legislation reauthorizing the Workforce Investment Act of 1998 and the Trade Adjustment Assistance Reform Act of 2002 is enacted.

Senate Labor HHS Language



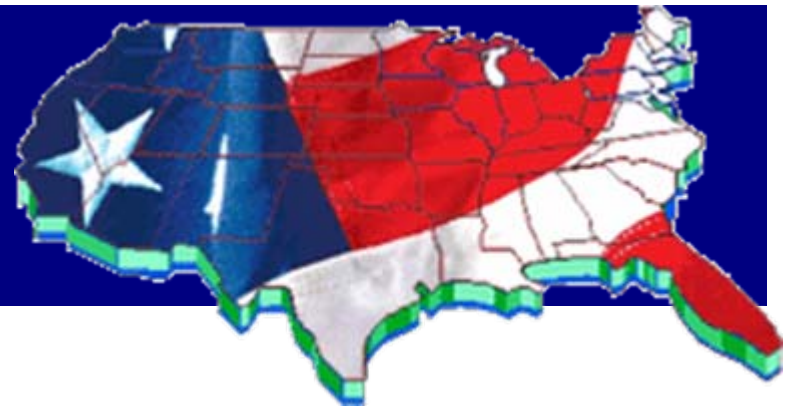
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House Labor-HHS Appropriations



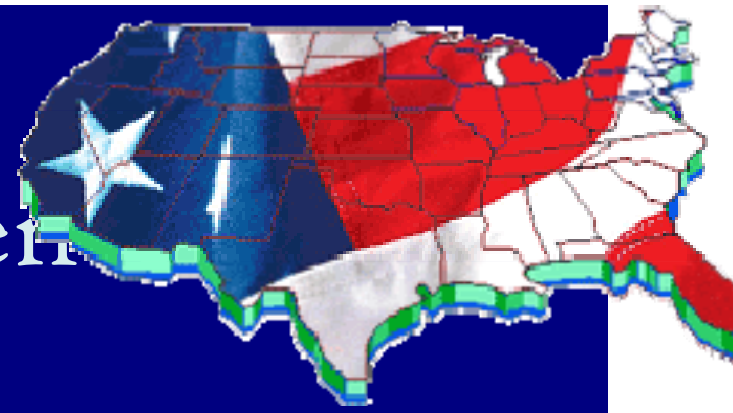
- House Chairman Obey restores over \$1 billion in funding cuts to WIA proposed by the Administration. No WIA rescission.
- WIA formula funding is restored back to FY 07 levels.
- Strong riders are included to protect the local workforce system from DOL.
- However, Ranking member Jim Walsh offers a \$335 million rescission of WIA funding in full Committee markup with the blessing of the Administration to increase funding for special education. Obey reluctantly accepts this WIA rescission to preserve bipartisan support for the bill.

Senate Labor-HHS Appropriations



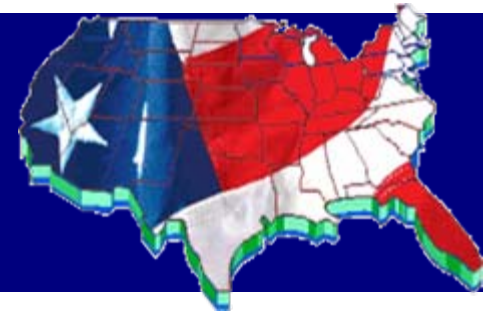
- Senate Chairman Tom Harkin (D-IA) also restores \$1 billion in funding cuts proposed by the Administration. No rescission.
- **WIA formula funds also restored to FY 07 funding levels.**
- Strong riders are included to protect the local workforce system from DOL.

Our Labor-HHS Appropriations Conference priorities this year



- Prevent the WIA rescission in Conference.
- **Preserve funding stability for the workforce system**

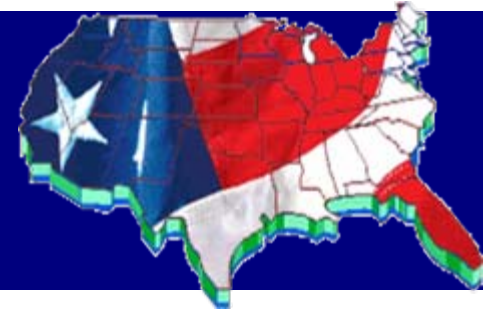
Labor-HHS Appropriations Process



What to watch for as the FY 2008 Process Unfolds

- Bush issues veto threat for any appropriations bill over his requested funding level.
- Republicans looking forward to a fight on spending – eager to paint the Democrats as “tax and spend liberals”.
- Result – almost every domestic appropriations bill will be vetoed, despite no vetoes of spending bills in the last six years. Democrats will roll spending bills into one giant “Omnibus” Appropriations bill.
- If Bush vetoes Omnibus, uncertain outcome for appropriations this year – government shutdown or long term CR could result.

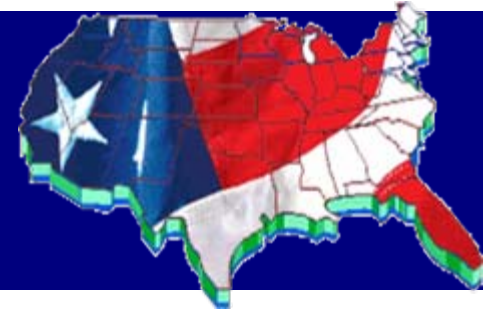
Labor-HHS Appropriations Process



What to watch for as the FY 2008 Process Unfolds

- Can the Republicans uphold a Bush veto –
 - 290 votes needed to override vetoes, which means 145 Republicans needed to support the President.
- Republican Study Committee has 147 Members who have signed a letter supporting a Bush veto of any spending bill above the President's request level.
- House Labor-HHS bill would have sustained a Bush veto by one vote according to Appropriators if all members had voted.

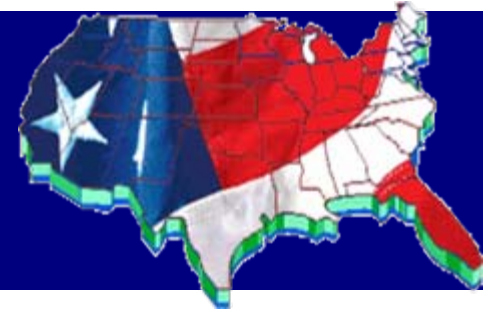
Labor-HHS Appropriations Process



What to watch for as the FY 2008 Process Unfolds

- Result – gridlock in the fall.
 - Spending bills
 - Iraq
- Most likely result – long term Omnibus Appropriations bill tied to the Defense Appropriations bill may be the only way to pass the Appropriations bills this year.

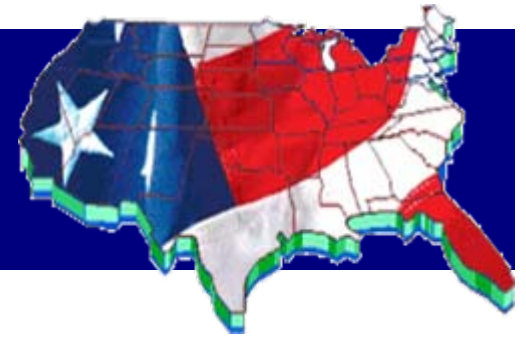
Labor-HHS Appropriations Process



What to watch for as the FY 2008 Process Unfolds

- However, Republican expectations are that Democrats will cave in to the Administration's domestic discretionary funding request levels. If so, \$23 billion in domestic spending will need to be cut, much of it from Labor-HHS programs.
- If so, it would be a disaster for domestic discretionary programs, including WIA, with sharp cuts resulting.

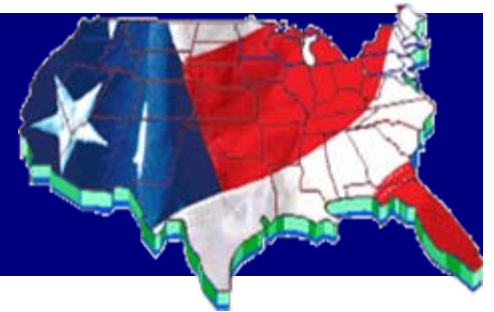
WIA Funding



Long term expectations for WIA under Democratic control

- Domestic programs will receive a higher priority for funding, with stable funding base more secure.
- Large increases are unlikely due to overall budget crunch.
- WIA Carryover is still an issue with appropriators.
- WIA reauthorization badly needed to fix DOL's inaccurate calculation reporting to Congress on system spending or future rescissions likely.

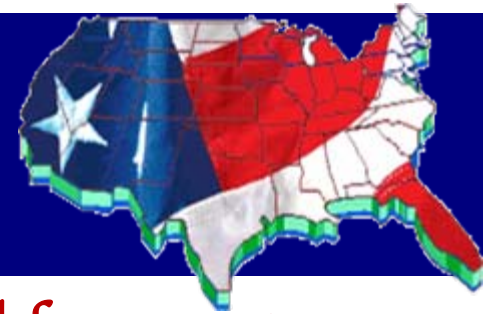
WIA Funding



Keys to Stabilizing WIA Funding

- WIA carry over issue (expenditure vs. obligation) successfully resolved with Appropriations Committee
- WIA funding champion emerges on House-Senate Labor HHS Appropriations Subcommittee. WIA is not currently identified as a top tier issue for individual appropriators

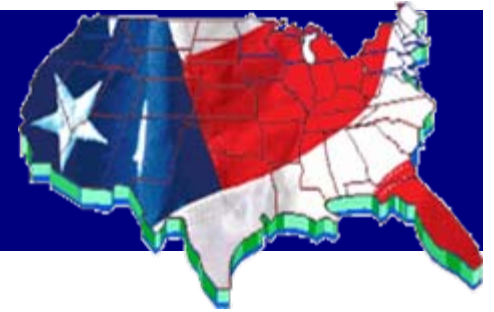
WIA Funding – our ongoing efforts to protect the workforce system



Our efforts to protect funding for the workforce system

- Generated Dear Colleague letters in House and Senate Congress to restore funding cuts for WIA and request FY 05 funding levels.
- Worked with key Appropriators and Authorizers in House and Senate to reject the proposed Bush cuts to WIA once again this year and protect the local workforce system.
- Crafting language in the Appropriations bills to protect local workforce system from the Administration's efforts to undermine local system through administrative measures – these efforts have included:
 - - Language in the FY 07 Joint Funding Resolution prohibiting DOL's implementation of WIA rule.
 - Riders prohibiting states from redesignating local workforce areas and changing the definition of administrative costs or other changes to WIA until it is reauthorized .

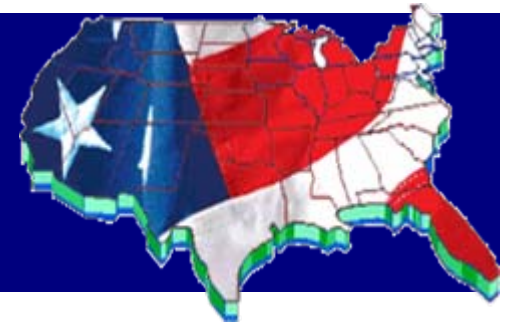
WIA Funding – our ongoing efforts to protect the workforce system



Next steps in our efforts to protect funding for the workforce system

- We are already working with House and Senate Appropriators to stop rescission in Conference
- We will ensure that these protective appropriations riders are included in the FY 08 Labor-HHS Conference Report
- We have highlighted the importance of WIA reauthorization this Congress to the leadership in both the House and Senate – reauthorization is needed to provide long term funding stability

Labor-HHS Appropriations Process



What You Can Do To Help WIA

➤ ASK -

- Your House Member to urge Chairman Obey to stop a rescission to WIA in the Labor-HHS Conference this fall. Explain to your Member the impact a rescission would have in his/her district. Let NWA/USA Works know of the results of your efforts!
- Provide DATA TO NWA/USA Works on district programs!
- Sponsor a workforce day or week in the state to which Members of Congress are invited to visit local programs.
- Organize a letter writing campaign to Congress. Business leaders, educators, success stories, local elected officials are prime targets to write.
- Press stories especially emphasizing “Bush Budget threatens successful local program” theme.

Funding

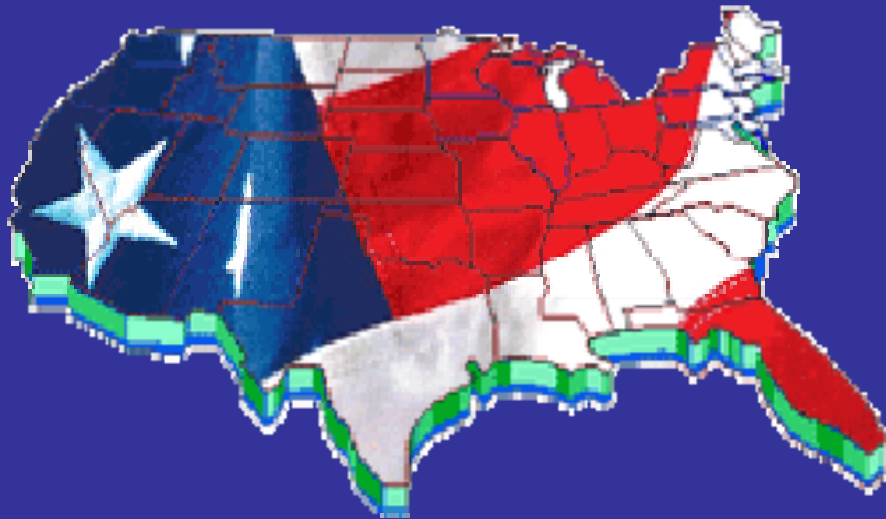
What

Does

Democratic control

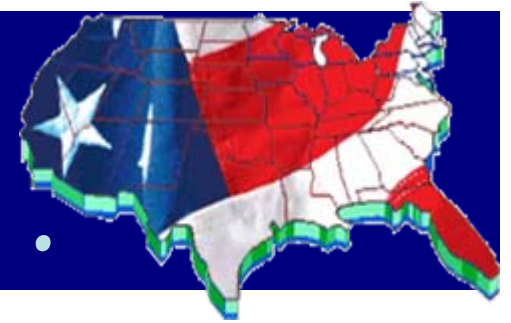
mean for WIA

reauthorization?



WIA Reauthorization

The Good, The Bad, and . . .

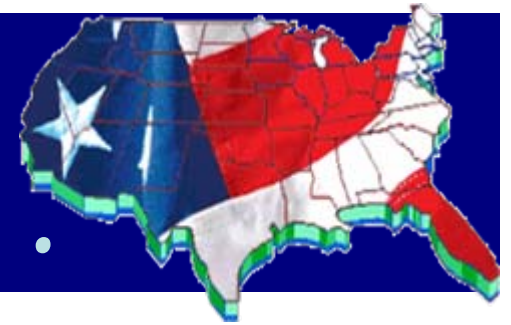


The Good Developments

- Authorizing committee chairman and ranking members – Kennedy-Enzi and Miller-McKeon are strong supporters of local WIA system
- Authorizing subcommittee chairs – Murray (D-WA), Hinojosa (D-TX) have strong relationships with their local programs.
- House Subcommittee Chairman Hinojosa has held two hearings on WIA.
- Senate Subcommittee Chair Patty Murray has already been drafting a WIA reauthorization bill.
- Bush administration, particularly DOL, less relevant in WIA reauthorization discussions
- Voters expect Democrats to legislate. Already grumbling about a “do nothing” Congress
- Education and Labor Committee chairman Miller and HELP Committee chairman Kennedy list WIA reauthorization in top four committee priorities
- “Faith Based” issue less of a threat

WIA Reauthorization

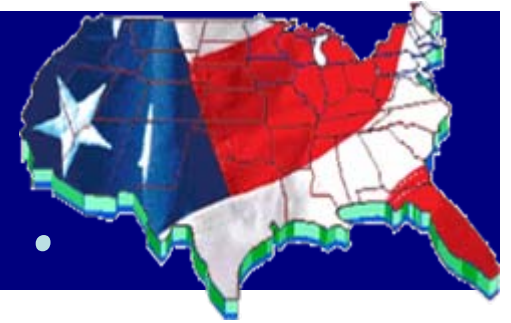
The Good, The Bad, and . . .



The Bad . . .

- The authorizing committees have been consumed by other issues before them such as the Higher Education Act and the number one issue before them this Congress – the reauthorization of No Child Left Behind. WIA being left behind.
- Labor movement already signaling strong concerns with moving reauthorization this Congress.
- Close margins in the House, and especially the Senate, give minority faction greater influence.
- Senator Tom Coburn (R - OK), strongest critic of WIA, especially carry over funding, is now on the Senate authorizing subcommittee
- Influx of new members and staff require extraordinary amount of education
- Slightest controversy that result in slowing down reauthorization timetable could push WIA reauthorization to back of the list
- Reauthorizing window narrowing. Looming 2008 elections will dramatically diminish legislative activity.

WIA Reauthorization The Good, The Bad, and . . .

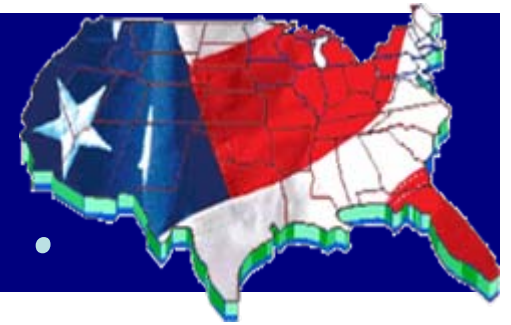


Major Issues Affecting Local Workforce Systems

1. Need to keep WIA reauthorization a priority
2. Elimination of any “Faith based” language
3. No consolidation of WIA funding streams
4. Resolution of carry over issue
5. Protection of local workforce delivery system
6. Decision on one stop infrastructure funding
7. Bi-partisan support for WIA
8. Strengthen ties with organized labor

WIA Reauthorization

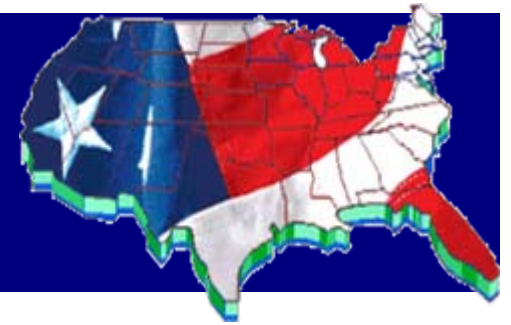
The Good, The Bad, and . . .



Questions Yet To Be Answered

- Will the Senate Authorizers remain committed to a bipartisan consensus WIA bill produced by the last Congress or will Democrats bend to demands from some in the labor movement to wait until next Congress with a new President to reauthorize WIA. Most insiders believe that the Senate must act in order to cajole the House into focusing on reauthorization. The key will be Senator Kennedy's leadership on this issue
- What will a Democratic bill coming out of the House Education and Labor Committee look like, a fresh start or a tweaking of the Senate bill?
- Will Democrats allow Republicans a stake in final product?
- Should the local workforce system also press for One Stop infrastructure funding?
- Should there be a required percentage on the amount of funding dedicated to the provision of training?
- Should there be a required minimum percentage of annual expenditures?
- How do we define success in this new legislative environment?

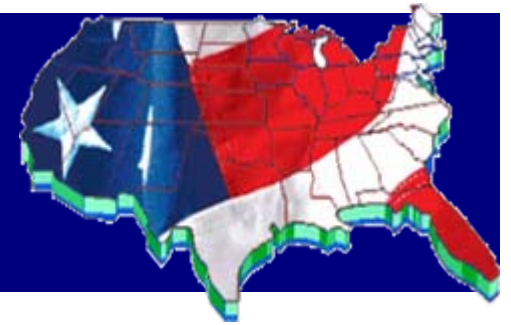
What You Can Do To Help . . .



Secure A Successful And Timely WIA Reauthorization

- Indicate to every member of your delegation over the August recess that you need WIA reauthorization to be enacted quickly and that you expect a strong bi-partisan WIA reauthorization bill to be introduced in both Houses shortly. Ask them directly to be a co-sponsor
- In particular, if a Member of your delegation is on the Education and Labor Committee, ask him or her to urge Committee Chairman Miller and Subcommittee Chair Hinojosa to pass a WIA reauthorization bill quickly.
- If you have a newly elected Member on the Education and Labor Committee, he or she should indicate to Chairman Miller that it is important to his or her district that WIA is passed quickly. House Democratic leadership have a policy of trying to assist any new freshman Democrat in any way they can.

What You Can Do
To Help . . .



And Finally . . .

Thank everyone and anyone who in
any way helps in our legislative
effort on behalf of WIA!