



International Association of Workforce Professionals

## INFORMATION MEMO

**Date:** January 2, 2007

**To:** IAWP Board of Directors, Legislative Steering Committee, Chapter Presidents, and Legislative Action Network

**From:** Daniel L. Hays, Chair  
IAWP Legislative Steering Committee

**Subject:** Information Memo 2007-01  
Lee Foley's December Update

As you all know by now, the November 2006 Congressional elections resulted in Democrats gaining 30 seats and a majority in the House of Representatives for the 110<sup>th</sup> Congress this year. In the Senate, the Democrats will have forty-nine seats and there will be two Independents organizing with the Democrats giving them a majority and control of the Senate as well.

In the House, Nancy Pelosi of California will become the first female Speaker of the House when the new Congress convenes in January. Steny Hoyer of Maryland will become the new House Majority Leader and current Majority Leader John Boehner (R-Ohio) will become the House Minority Leader

Sen. Harry Reid of Nevada will become the Senate's new Majority Leader in January and Dick Durbin of Illinois will become the Assistant Majority Leader. Mitch McConnell (R-Kentucky) will become the Minority Leader.

Many of the incoming newly elected Members of Congress are moderate to conservative Democrats, quite a few of whom are replacing moderate Republicans. This means the next Democratic House caucus, for instance, will be more moderate than the current one and the House Republican caucus will be more conservative. In the Senate, the newly elected Democrats might more accurately be described as "populist" rather than "liberal." While they are perhaps not as conservative as some Democrats elected to the House, they agree with their newly elected House counterparts on many issues. Ultimately, this means the Democrat's new Congressional leadership is faced with an influx of new populist and/or moderate to conservative Members in their caucuses. But these new Members, almost to a

person, have indicated they feel a large responsibility to respond to what they perceive as a sense of economic insecurity that middle-class voters expressed during the campaign and through their votes and to represent ordinary Americans against a perceived set of moneyed and corrupt interests controlling Washington.

In the House next year, new chairs of key committees are to be as follows:

**Budget – John Spratt of South Carolina**  
**Appropriations – David Obey of Wisconsin**  
**Agriculture – Collin Peterson of Minnesota**  
**Armed Services – Ike Skelton of Missouri**  
**Education and the Workforce – George Miller of California**  
**Energy and Commerce – John Dingle of Michigan**  
**Financial Services – Barney Frank of Massachusetts**  
**Government Reform – Henry Waxman of California**  
**Homeland Security – Bennie Thompson of Mississippi**  
**International Relations – Tom Lantos of California**  
**Judiciary – John Conyers of Michigan**  
**Resources – Nick Rahall of West Virginia**  
**Rules – Louise Slaughter of New York**  
**Small Business – Nydia Velazquez of New York**  
**Transportation – James Oberstar of Minnesota**  
**Ways and Means – Charlie Rangel of New York**  
**Intelligence – Sylvester Reyes of Texas**

In the Senate next year, new chairs of key committees are to be as follows:

**Budget – Kent Conrad of North Dakota**  
**Appropriations – Robert Byrd of West Virginia**  
**Agriculture – Tom Harkin of Iowa**  
**Armed Services – Carl Levin of Michigan**  
**Banking – Chris Dodd of Connecticut**  
**Commerce, Science and Transportation – Dan Inouye of Hawaii**  
**Environment and Public Works – Barbara Boxer of California**  
**Energy – Jeff Bingaman of New Mexico**  
**Finance – Max Baucus of Montana**  
**Foreign Relations – Joe Biden of Delaware**  
**Health, Education, Labor and Pensions – Ted Kennedy of Massachusetts**  
**Homeland Security – Joe Lieberman of Connecticut**  
**Judiciary – Patrick Leahy of Vermont**  
**Small Business – John Kerry of Massachusetts**  
**Indian Affairs – Byron Dorgan of North Dakota**  
**Special Committee on Aging – Herb Kohl of Wisconsin**

Final decisions on all subcommittee chair selections will not be completed until after the 110<sup>th</sup> Congress convenes in January.

**After the excitement surrounding the election of a new Congress in November, the old Congress returned to Washington in somewhat of an anti-climax and attempted to complete a long list of unfinished business including annual appropriations and reauthorizations of numerous programs under jurisdiction of the Congressional education committees. Not much got done.**

**The 109th Congress finally came to a close on the weekend of December 9<sup>th</sup> after passing a Continuing Resolution (CR) funding the government through February 15<sup>th</sup> of next year. Nine of eleven regular appropriations bills for the fiscal year which began October 1, 2006 remain uncompleted. The largest and most significant of these is the annual Labor-HHS-Education funding bill, which includes nearly all federal employment and training programs.**

**Health, education and employment and training programs are pegged to their Fiscal Year 2006 funding levels in this temporary funding measure. This is, perhaps, the best outcome that could have been expected for federal employment and training programs since, for most of them, their current levels are higher than in the 2007 funding bills written by the outgoing House and Senate appropriations committees. This outcome also almost certainly eliminates what was very likely to be a Fiscal Year 2006 rescission of WIA funds and also means there will be an extension of prohibitions regarding changes in local workforce area designations and against DOL's plan to make changes in the definition of WIA administrative costs.**

**Before the 109th Congress adjourned, the incoming Democratic chairs of the appropriations committees in the 110<sup>th</sup> Congress (Rep. Obey and Sen. Byrd) announced they would not attempt passage of these uncompleted appropriations bills when the new Congress convenes in January. They intend, instead, to craft a year-long CR (continuing resolution) that will finance thirteen of the fifteen federal departments and numerous government agencies.**

**However, the upcoming year-long continuing resolution is likely to start from the committee-passed fiscal 2007 appropriations bills. House and Senate appropriators plan to go through them line by line to decide funding levels. Rep. Obey and Sen. Byrd have said that they and their appropriations colleagues will "evaluate broad priorities and look at areas in desperate need." And make funding adjustments accordingly. So the year-long CR could look more like an omnibus spending bill than like the current CR. Still, the year-long CR will be constrained by the existing \$463 billion total spending cap – which provides little flexibility for funding increases. However, Obey and Byrd also announced that there would be no Congressional projects (earmarks) included in the year-long CR, which would make available about \$8 billion under the \$463 billion cap – thus freeing up less than 2% of the total to provide small increases for a few favored programs across the government.**

**In the current temporary CR, appropriators agreed to make certain special adjustments to the rate of funding for only a few programs. Entitlement programs requiring appropriated funds, such as food stamps, child support enforcement and payments to low-income elderly**

and disabled individuals, would not be affected by the funding restrictions contained in the CR. And agencies which might otherwise have to furlough employees due to limitations from the CR are provided specific flexibility to avoid such an occurrence.

When the new Congress convenes during the first week of January, the new Democratic leadership will pursue list of immediate priorities they are describing as their "100 hour" agenda. The agenda items include issues that resonated with the voters in the recent election including raising the minimum wage, reducing interest rates on subsidized higher education loans, lobbying reforms and implementation of the 9-11 Commission recommendations. Reauthorization of WIA and other legislation within the jurisdiction of our committees is not included in this initial list of agenda items but WIA will be taken up in committee during the early months of the first Session. And before the 109<sup>th</sup> Congress adjourned, the two incoming Chairs of the Congressional education/workforce committees, Rep. George Miller of California and Sen. Edward Kennedy of Massachusetts, announced their priorities for the 110<sup>th</sup> Congress.

Rep. Miller plans to cut interest rates on college student loans, rewrite laws to assist labor organizers, and address pension security, retirement savings and the rising cost of health care. He also hopes to pass legislation for universal pre-kindergarten, an expanded Head Start program, and for increasing the size of Pell Grants assisting low-income college students. Mr. Miller also plans to be aggressive in his Committee's oversight of corporate mergers that affect workers and of private firms that manage retirement funds.

Several of the Democrats' "100 hour" legislative agenda items include those at the top of Rep. Miller's priority list. These include raising the federal minimum wage from \$5.15 an hour to \$7.25 an hour and reducing interest rates on subsidized college loans for low-income students.

Mr. Miller also plans to begin work this year on the reauthorization of President Bush's "No Child Left Behind" education legislation, which expires next year. Both Rep. Miller and Sen. Kennedy plan to hold hearings next year to re-examine the law but it is highly likely that it will take two years of the 110<sup>th</sup> Congress -- or possibly even longer -- to complete the reauthorization.

Sen. Kennedy also laid out his Committee agenda for next year and beyond. In doing so, he sounded a strong bi-partisan note, saying he was grateful to continue working with his Republican counterpart, Sen. Mike Enzi of Wyoming. Kennedy said his first priority would be to increase the minimum wage to \$7.25 an hour, benefiting nearly 15 million workers. Since his Committee has a health and health research jurisdiction which Mr. Miller's House Committee does not, Sen. Kennedy stated his second priority will be to remove barriers to increased stem cell research. And he too made college tuition affordability measures one of his top three priorities by pledging to raise Pell Grants by 25%, capping federal college loan program interest payments to no more than 15% of family income, and cutting student loan interest rates. Finally, he identified health care reform as his fourth priority.

Among other priorities, Sen. Kennedy also listed legislation to assist labor organizers, helping workers upgrade skills by improving job training programs, ensuring retirement system work effectively, helping ensure worker safety on the job, and prescription drug/food safety improvements. Sen. Kennedy also specifically identified reauthorization of WIA and providing additional funding for job training as among his Committee priorities.

Finally, with the adjournment of 109<sup>th</sup> Congress, which had little to say for itself as far as major accomplishments, it is important to reiterate the actions Congress did take regarding workforce programs.

- The House approved its WIA reauthorization bill on March 2, 2005. The bill also incorporated stand-alone legislation, the Worker Reemployment Accounts Act (H.R. 26), introduced by Rep. Jon Porter (R-NV). Similar to a pilot project proposed by President Bush, the measure allows demonstration and pilot project funding under the Workforce Investment Act to be used by states and local workforce investment boards to offer personal reemployment accounts (PRAs) of up to \$3,000 to help unemployed Americans return to work quickly. In addition, Rep. Chocola (R-IN) has introduced a bill to amend the Federal Unemployment Tax Act to provide for the establishment of a demonstration program to permit States to experiment with administration of unemployment compensation programs.

Senate passage of S. 1021, its WIA reauthorization bill, was by voice vote without debate in the very last moments before the July 4th recess. This raised hopes that perhaps WIA could be reauthorized this year. The agreement that facilitated the bill coming to the Senate floor and passing was very fragile, however. That agreement set aside from the Senate bill a provision contained in the House version of WIA reauthorization (HR 27) that would permit faith-based groups receiving WIA funds to exclusively employ members of their own religious group. The Senate agreement called for a staff “pre-conference” during which it would be determined whether this faith-based issue could be resolved, and if so, to move to a formal conference. Unfortunately, there was no real progress toward resolving this stumbling block and so no conference committee was ever convened.

- The Deficit Reduction Act (S. 1932) – signed into law by President Bush in February 2006 – extends the Temporary Assistance for Needy Families (TANF) block grant at the current funding level - \$16.5 billion – through fiscal year 2010. TANF provides states with funding for a wide range of benefits and services to families with children, including cash welfare assistance.
- The 109<sup>th</sup> Congress did complete reauthorization of the Vocational Education Act. The Carl D. Perkins Career and Technical Education Improvement Act (S. 250) was signed into law by President Bush on August 14<sup>th</sup>. The bill is intended to help states better utilize federal funds for secondary and postsecondary vocational education and training programs, increasing accountability and emphasizing student

achievement, and strengthening opportunities for coordination between secondary and postsecondary career and technical education. Specifically it seeks to do so by:

1. Supporting connections between secondary and post-secondary career and technical education programs;
2. Integrating technical education with academic instruction that is based on high quality standards;
3. Improving accountability systems to ensure that programs are successful;
4. Allowing programs to use funds to create career plans that help students map out and achieve their career goals; and
5. Improving opportunities for women and men to gain access to non-traditional careers.

Since no final action was taken to reauthorize WIA, the Adult Education Act, the Higher Education Act, and the Headstart Act, these and several other pending reauthorizations will need to be taken up by the House Education and the Workforce Committee and the Senate Health Education Labor and Pensions Committee in the first Session of the 110<sup>th</sup> Congress.

Finally, in a pre-Christmas action by DOL., a Notice of Proposed Rulemaking (NPRM) was published in the Federal Register on December 20, 2006 (*see attachment*). It proposes changes to Wagner-Peyser Act and WIA regulations. Comments are requested to be received by 2/20/07. These changes would impact existing programs and state operations. For instance: ES offices would be fully consolidated into One-Stops and there would no longer be a merit-system requirement for Wagner-Peyser staff in these offices. The Notice also offers to states new planning options, while WIA reauthorization continues to be stalled. These include: to extend a current plan for one year, to modify a current plan, or to submit only the first year of a new five-year plan. New language also provides the Secretary with authority to permit state plans covering only a portion of a five-year planning period. It also gives governors authority to provide these same or similar options for local plans. As stated earlier in this report, the Congress has blocked plans by DOL to alter the definition of administrative costs under WIA. However, this NPRM seeks input about what should be allowable WIA administrative costs under DOL regulations.