



International Association of Workforce Professionals

INFORMATION MEMO

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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 2006-02
End of 2nd Session of the 109th Congress Report from
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As the clock wound down on the pre-election second Session, the accomplishments of this Congress remained quite few. In fact, in their drive to take the House -- and possibly the Senate -- in the elections next month, the Democrats have resurrected President Harry Truman's winning charge of a "Do-Nothing" Congress.

The actual accomplishments of the 109th Congress, which are likely to have few additions during the Lame Duck Session to follow the elections, include energy, prescription drug, bankruptcy, class action, bank regulatory relief and student financial assistance legislation as well as confirmation of two Supreme Court justices and passage of additional tax cuts.

FY 2007 APPROPRIATIONS

On Friday, September 29, 2006, Congress passed and the President signed into law a continuing resolution (CR), which will fund all federal programs not enacted through annual appropriations bills by the October 1st start of fiscal year 2007. Defense and Homeland Security Appropriations are not covered under the CR, as Congress passed the FY 2007 spending bills shortly before adjourning to campaign for the November elections. The CR will extend federal funding for the remaining federal programs through November 17th at the lower of the House-passed or FY 2006 spending levels. An exception is the Labor-HHS-Education spending measure (H.R. 5647). Since the bill has not passed either the House or the Senate, funding for the programs covered by that bill will be left at the FY 2006 level between now and November 17th. This has little practical effect for employment and training programs since they are "forward funded" with a program year that begins in July 2007. Their actual operating level will be determined when

Congress returns for the Lame Duck session a week after the elections. It is quite possible, however, that the elections will have a significant effect upon the ability of the Congress to take action. If the Democrats take one or both houses, Senate Democrats will utilize procedures available to the minority party to stall legislation until the new Congress convenes in January. This could mean we would see another CR passed at the end of the Lame Duck session continuing labor, education, and other programs at their current level into February 2007.

As a reminder, the Senate Appropriations Committee reported its version of the fiscal year 2007 appropriations bill funding education, health and labor programs reversing a few of the severe employment and training program cuts in the House Committee bill by providing a total of \$11.6 billion for Department of Labor activities. For Dislocated Workers, the Senate bill recommends \$1.476 billion, \$4.2 million more than this year and \$361.5 million above the Administration's request. The bill also includes \$800 million for adult job training and \$935.5 million for youth training, which are a bit below the House level, but the Senate does not include language allowing the administration to cut further (as much as perhaps \$325 million more) based upon its calculation of prior year carry-over funds.

The Senate would fund Wagner-Peyser at the same level as the House. For Employment Service allotments to States, the Senate includes \$689 million. This is the same as the Administration request and the House level but below the current level of \$716 million. The Senate also includes \$32,918,000 for Employment Service national activities, a decrease of \$510,000 from the fiscal year 2006 level. And their recommendation is \$18,677,000 for the work opportunity tax credit program, \$1,000,000 over the 2006 enacted level.

For Unemployment Insurance, the Senate bill provides \$2.547 billion, the projected full workload level. The bill provides for a contingency reserve amount should the unemployment workload exceed an average weekly insured claims volume of 2,708,000 at a rate of \$28,600,000 per 100,000 insured unemployed. This contingency level is slightly less than the House. The recommendation also includes \$63,000,000 for One-Stop Career Centers, compared to the Administration request of \$63,855,000 and the House level of only \$40,000,000. The Senate level includes funding for America's Labor Market Information System, including core employment statistics, universal access for customers, improving efficiency in labor market transactions, and measuring and displaying WIA performance information.

Neither the House nor the Senate bills have reached the floors of their respective bodies and are unlikely to do so in the Lame Duck session, with a continuing resolution most likely to govern funding for these programs into early next year or beyond.

WORKFORCE LEGISLATION

- The House approved its WIA reauthorization bill on March 2, 2005. The bill also incorporates 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 (WIA) 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. Chocoma (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.

- As previously reported, the voice vote Senate passage without debate of S. 1021, the WIA reauthorization bill, in the very last moments before the July 4th recess raised expectations that WIA could be reauthorized this year, perhaps through conference committee action by the time the Lamé Duck session is completed. The agreement that facilitated the bill coming to the Senate floor and passing was very fragile and remains so. That agreement sets aside in the Senate bill the 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 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 during the August recess toward resolving this stumbling block to convening a conference committee and no conference committee is likely to be convened during the Lamé Duck session, meaning that WIA reauthorization will need to be taken up again when the 110th Congress convenes in January.
- 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.
- Congress did finish the Vocational Education bill conference committee, and they did so in time for Congress to pass it overwhelmingly before departing for their summer recess. The Carl D. Perkins Career and Technical Education Improvement Act (S. 250) was signed into law by President Bush on August 14, 2006. 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 in the following ways:
 - Supporting connections between secondary and post-secondary career and technical education programs
 - Integrating technical education with academic instruction that is based on high quality standards
 - Improving accountability systems to ensure that programs are successful
 - Allowing programs to use funds to create career plans that help students map out and achieve their career goals
 - Improving opportunities for women and men to gain access to non-traditional careers.

OLDER AMERICANS ACT

Congress approved the *Older Americans Act Amendments of 2006* (H.R. 6197), a bipartisan, House-Senate agreement to reauthorize and strengthen services offered under the Older Americans Act, just before recessing for the November elections.

Established in the 1960s primarily to govern social services for seniors, programs under the Older Americans Act have transformed into the first stop for seniors and their families to identify home- and community-based long term care options, as well as programs and services for which they may be eligible.

Specifically, the *Older Americans Act Amendments of 2006* would:

- Promote consumer choice, as well as home- and community-based supports to help older individuals avoid institutional care
- Strengthen health and nutrition programs while ensuring that no state loses funds to operate these programs
- Improve educational and volunteer services
- Encourage wealthier seniors to pay for many of their program benefits, maximizing the taxpayer investment for low-income seniors
- Increase federal, state, and local coordination
- Reauthorize the Title V Senior Community Services Employment Program.

HIGHER EDUCATION LEGISLATION

- Student loan reforms were included in the *Deficit Reduction Act* (S. 1932), signed into law in February 2006.
- The House passed a comprehensive overhaul of the Higher Education Act on March 30, 2006. The Senate did not take action on an HEA reauthorization, and no action is anticipated during the lame duck session. HEA reauthorization will therefore begin anew in the 110th Congress in January.
- The *Pension Protection Act* (H.R. 4) signed into law in August 2006 includes the extension of features of college savings plans (529 plans) which had been set to expire in 2010. The *Pension Protections Act* preserves tax-free withdrawals from 529 plans and also allows parents to continue rolling over college savings to a different state plan once a year without requiring a change in beneficiary. The law also extends parents options to invest in both a 529 plan and a separate Coverdell Education Savings Account for the same beneficiary in the same year.
- In August 2006 the President signed a reauthorization of vocational education legislation that serves both secondary and postsecondary students. The new reauthorization increases the focus on academic achievement and seeks to ease the transition from high school to postsecondary education. The new law is intended to help states better utilize federal funds for secondary and postsecondary vocational education programs, to increase accountability, to emphasize student achievement, and to strengthen opportunities for coordination between secondary and postsecondary career and technical education.
- In June 2006, Congress repealed a federal “single holder rule”. HEA Title IV FLEP borrowers will now have the ability to shop around with other lenders for the best terms and services.

IMMIGRATION REFORM

Prior to adjourning last week, the House passed a series of immigration reform measures comprised of elements of H.R. 4437, a broader border security/immigration reform bill passed by

the chamber in November of 2005. Two of those bills were also adopted by the Senate—H.R. 4830 and H.R. 6061. The language of H.R. 4830 setting new criminal penalties for constructing tunnels under the U.S. border and double penalties for the smuggling of illegal immigrants, drugs, weapons of mass destruction, or other illegal items through an illegal tunnel was included in the final House and Senate-passed FY 2007 Homeland Security appropriations conference agreement. H.R. 6061 authorizes 700 miles of fencing along the southwestern border with Mexico. The bill would also authorize a “virtual fence” of sensors, cameras, unmanned aerial vehicles, and other surveillance technology to be deployed along the border.

House and Senate leaders remain at odds over major provisions of a more expansive immigration reform package. House Republican leadership continue to embrace a border-security first approach to any overhaul of federal immigration law, and they oppose language in the Senate-passed immigration reform measure (S. 2611) that would establish a guest worker program and a path to citizenship for the estimated 12 million illegal immigrants in the country. Facing a full legislative calendar when they return for a post-election session in November, legislators are unlikely to pass comprehensive immigration reform this year.