

The American Recovery and Reinvestment Act

Workforce Implications

WIA Funding Increases

- \$500,000 million for the WIA adult program, roughly a 50% increase (page 58).
- WIA adult \$ are to be spent first on training and second on supportive services or needs-related payments (“NERP’s”).
- NERP’s and Needs Based Payments (NBP’s) are almost impossible to administer. Go for enhanced supportive services instead!
- Core and intensive services are allowable but are not the top priorities.

The WIA Youth Program

- \$1.2 billion in new funding (page 58 and 59).
- The primary focus is the summer youth program.
- The new \$ may be spent allowably on ANY year round youth activity, including the ten youth “elements”.
- The new summer program need only measure work readiness attainment and must include paid work experience.
- Youth must be 14 through 24. All other youth eligibility criteria stay the same.
- “Summer” runs from May 1 to September 30.
- There is youth mentoring funding* available through the Justice Department (page 16).
- Refer to separate overheads on summer and the youth program for a whole lot more detail!

WIA Dislocated Worker Program

- \$1.25 billion for the DW program (page 59). No expenditure priorities are listed.
- Up to 20% of this money can be moved to the adult program.
- States are allowed to pull up to 25% off the top for rapid response. Why would States reserve all this \$ when the pot is refilled in July?
- The DW national reserve* also gets an extra \$200 million.

New WIA Formula Money

- The Federal/ State allocation formula remained the same but a different set of data was plugged into the formula: updated 2000 census data and unemployment data through 12/31/2008.
- States take the usual 15% off the top for State admin and the Governor's reserve. Local areas get the usual 10% for admin. Admin and other "overhead" expenses are, however, to be minimized to the extent possible. How will the Governor's Reserve* get used? No one should sit on stimulus \$ for a long time!
- The new stimulus money is available retroactively, on 2/17/2009. The money must be obligated by 6/30/2010 and is available through 6/30/2011 (USDOL guidance letters). However, the ARRA clearly says "June 30, 2010" (page 59), an apparent contradiction. It is unclear how USDOL got an extra year to spend the \$ and we should plan to have the \$ spent by 6/30/2010 if possible!
- Local Boards can elect to purchase group sized training from an eligible training provider, so long as customer choice isn't limited. If the "ETPL" isn't used, a procurement process is necessary. Also, be aware of USDOL capitalization and equipment expenditure restrictions!

New WIA Competitive Grants*

- \$750 million for “worker training and placement in high growth and emerging sectors*” (page 59). \$500 million of this amount is for “research, labor exchange and job training projects” for careers in “energy efficiency and renewable energy.” The priority for the remainder is health care*. Which of these grants are you going for?
- USDOL has 120 days from the 2/17/2009 signing date to have the money obligated.
- USDOL and the OIG are also getting large pots of money to administer these new programs, step up worker protection enforcement and conduct oversight

“Green” Opportunities*

Should you be planning one or more “green” Centers? How could business and job seeker services be delivered in a more energy efficient manner?

What is a “green” job? Is every job in America ... which is reconfigured to use less energy ... a green job?

Which green sectors (wind, solar, weatherization, more efficient energy transmission, biofuel, clean diesel) will result in more jobs soon in your area?

YouthBuild*, Older Workers, AmeriCorps, the National Services Trust and Job Corps

- YouthBuild* gets another \$50 million.
- AmeriCorps* and the Nat'l Services Trust* each will be expanding and adding new volunteers. Should we be requesting slots to help out in the Centers?
- The Job Corps also has money to renovate and build Centers.

Employment Service Operations

- \$250 million for reemployment services for UI claimants, including integrated ES/UI information technology, “to identify and serve the needs of claimants” (page 60).
- Another \$150 million (page 59) for State UI/ES Operations generally.
- These \$ come from the Employment Security Administration Account in the UI Trust Fund and will be available retro to 2/17/2009!

Is More Training the Answer?

- Where are the jobs?
- How can customers afford to stay in long term training?
- What about customers who don't want to sit in a class or who have low basic or English language skills?
- It is getting tougher to write OJT's as job openings decline nationwide.
- How about paid private sector internships with OJT's to follow?

Admin, Staff and Overhead Costs

- USDOL says admin and overhead is to be minimized and services are to be maximized. What admin enhancements are essential to meet fund source requirements? How much extra admin do we really need? What happens to the remainder?
- Resource rooms need more computers, more up-to-date computers, more software, more space and more furniture. These seem like valid services expenditures and a good investment of “one time” stimulus funds.
- Any new leases need to have strong “funding out” clauses. Negotiate hard on space costs!
- What are the rules and limits on adding temporary staff or consultants?
- Follow procurement rules when adding equipment, space and staff! We will never have more Federal oversight!

Dislocated Worker Money

- There is a whole lot of it and many area's have grown used to moving DW \$ to the adult program because eligibility is easier.
- There is a lot more TAA* availability.
- PELL grants are also increased (page 76).
- How can we simplify DW enrollment? What new training, activities and services should we offer? How about stand alone supportive services like transportation or health care help?

Using the New Money as a Stimulus

- Should we try to spend ALL the new money by 6/30/2010 or try to stretch it over into 2011? What are the repercussions of either approach?
- What activities and services will put the maximum amount of \$ into the community in the most effective manner? Are these different activities and services than the current ones? How will they affect performance?
- What activities and services will retain jobs; create new jobs; assist those most impacted by the recession; tie to infrastructure investments; assist State and local governments in delivering “essential services”?

Performance and Reporting

- How will we meet the quarterly and close out fiscal reporting requirements, i.e., \$ reported to the Feds w/in 10 days after the end of each quarter?
- How about the programmatic reporting requirements? What is a “retained job?” What is a “created job?”
- Do the usual performance standards apply to non-summer stimulus programs? If so, we need to renegotiate aggressively!!!!

Procurement

- What do your procurement policies say?
- Follow your regular State and local procurement rules!
- When in doubt, get an opinion as to how ARRA procurement should work.
- You **WILL** run a 2009 summer youth program!!!

Trade Adjustment Assistance*

- This section is 70 pages long (pages 253 to 322) and highly technical. Regs and many a guidance letter will have to be issued.
- TAA is extended to cover public employees, the service sector (page 282), more farmers and agricultural workers (page 300) and adversely affected businesses (page 283). My guess is that the number of TAA certifications will more than double.
- Eligibility is clearer: 26 weeks from either job loss or certification (page261).
- There will be a whole lot more waivers and approval of extended training, unusual training types, higher training costs, missed deadlines (page 264), and pre-layoff and part time training (page 269). There is even a training option for those over 50, making less than \$55,000 and employed with a company other than the one who initially laid them off (page273).
- More time is allowed for breaks in training (page263).
- The “sense of Congress” is to administer TAA “ with the utmost regard for the interests of workers, firms, communities and farmers petitioning for benefits” (page 280). This is a huge policy shift. The old approach was “when in doubt, deny the claim.”

TAA Changes

- Starting 8/1/2009, adversely affected communities* may receive up to \$5 million for strategic planning and “economic adjustment” (pages 287 through 300). Local workforce Boards are among the many groups able to apply for one of these grants.
- Community colleges can apply for Career Training Grants* to develop, offer and improve training for TAA-eligible workers (page 292). The new grants are capped at \$1 million.
- Sector Partnership Grants* capped at \$2.5 million each, are also available to trade impacted areas (page 295). Local workforce Boards are one of the list of mandatory partners who need to come together to apply for and manage the grant. Use of the grant funds is quite flexible and aims to fundamentally change and revitalize the local economy.
- If an area goes for more than one of these three new kinds of grants, the applications and grant activities have to be closely coordinated.

TAA Changes

- TAA services now include every service a regular DW can receive (page 265).
- The availability of funding needed to pay for these extra services is unclear. The TAA amendments set a much higher appropriation ceiling but do not actually appropriate the \$ (page 267)!
- 15% of the TAA allocation to each State is to go for admin, case management and the other employment services (page 266). This is a big increase but not enough to cover all costs. The DW program will still have to foot some of the bill.
- OJT is described in depth (page 270 and 271). The description is unrealistic, requiring that “benchmarks” and a “curriculum” exist, conditions which apply to formal classroom training and to apprenticeship programs, and which have never applied to OJT.
- Job search and relocation allowances are raised to \$1500 (page 272).

TAA Health Coverage

- The ability for a trade affected worker to get Federal help with continued medical insurance is significantly expanded (pages 309 to 322).
- NEG* grants may request \$ for health care coverage for a three month period (page 319)!

UI Changes

- The extent to which UI coverage changes is up to each State (pages 322 through 332).
- Extended benefits (page 322) will be offered pretty much everywhere. How will this affect workforce design? Will DW's opt for longer training? Will it be harder to get DW's in to Centers early?
- UI increases of \$25 (page 323) are also likely to be nearly universal.
- Other UI changes such as changing the base period to calculate benefits and redefining UI eligibility are controversial and will vary widely.
- The Federal tax on UI benefits is temporarily suspended (page 203).

TANF Changes

- A new \$5 billion TANF emergency fund* is created (page 332) and will be the subject of extensive rule making.
- If the caseload is up, short term benefit payments are up or if subsidized employment* for TANF recipients increases, the State can tap the emergency fund for 80% of the extra costs. The remainder can be paid from the regular TANF grant!
- Carried over TANF funds can be used just like newly allocated TANF funds and could pay the remaining 20% (page 35).
- Do we want to go into the subsidized employment* business? It may cost the State next to nothing and could close cases and help make participation rates!

Child Care and Housing Assistance

- The Child Care and Development Block Grant is increased by \$3.15 billion (page 64).
- The child care tax credit is also increased (page 199).
- There is \$1.5 billion for homelessness prevention and rapid re-housing assistance (pages 107) and \$2.25 billion more for “Assisted Housing Stability and Green Retrofit Investments” (page 108). Many of our customers might want to take advantage of this!

Health Information Technology

- A whole new initiative runs from page 132 to 165 of the ARRA. The intent is to convert “hard copy” medical records to electronic formats while strengthening privacy protection. A very large number of jobs will be created and all new and current medical personnel will have to be retrained. Local workforce boards should get together with medical facilities and community colleges to collaborate on training and job placement projects.

Tax Breaks

- There is a tax credit for the hire of an unemployed vet or a “disconnected youth” (page 223). The youth must be 16 through 25 on the hire date, not regularly attending school or employed over the last six months and have low basic skills. Centers will have to certify these vets and youth! There is a new “make work pay” tax credit (page 195).
- The EITC is temporarily increased (page 198).
- The Hope scholarship tuition tax credit is substantially increased (page 199).
- There is a tax credit for students buying a computer or software (page 202).
- The first time home buyer tax credit is extended and increased (page 202).
- There are tax breaks for energy efficient houses and appliances and plug in vehicles, (pages 208 to 219).
- Businesses get investment incentives and new debt write off credits (pages 219 to 241).

Jobs and Infrastructure Help

- The SBA* gets \$69 million (page 36), some of which is for micro loans.
- \$1.5 billion is competitively awarded for transit projects* (page 89).
- Highways get \$27.5 billion (page 92).
- Railways get around \$10 billion in several pots (pages 94 to 96).

So What's Next?

- Who should take the lead for which new funding opportunities?
- Where do you think new jobs will be created and how do we link our customers to those opportunities?
- What new training courses should we be adding? Which existing courses should be expanded or improved?
- Which new supportive services opportunities would help our customers the most?
- What outreach should we be doing for our business customers?
- Should we sponsor seminars on tax breaks for job seekers and businesses, particularly the unemployed and disconnected youth hiring credit?

Education and Training

- Education and training funding opportunities are scattered throughout the ARRA.
- The biggest addition is the new \$53.6 billion “State Fiscal Stabilization Fund” (page 165).
- 81.8% of each state’s allocation is for the support of elementary, secondary, postsecondary and early childhood education. The remainder is for public safety and other governmental services.
- Schools can use the money for regular educational services or for “modernization, renovation and repairs.” When we add new training programs we should tie to these funds which can pay for equipment and facilities, costs USDOL abhors!
- There is a tough “maintenance of effort” requirement (page 168).
- There are also incentive and innovation grants (page 170) to states, schools and partnerships (which could include a workforce board) which have made substantial progress in closing achievement gaps.

More Education and Training

- HHS has a new \$500 million grant program to address “health professions workforce shortages*” (page 61). The funds can go for scholarships, loan repayment and “grants to training programs for equipment*”
- The D of Ed gets \$13 billion more for “Education for the Disadvantaged” (page 67).
- There is educational “Impact Aid” (page 67), “School Improvement Program” funding (page 68), “Innovation and Improvement” funding (page 68), Special Ed funding (page 68), more Voc Rehab funding (page 69) and almost \$16 billion in more student financial aid (page 69)

Broadband Access

- The Broadband Technology Opportunities Program* is to increase access in un- and underserved areas, provide education, awareness, training, access, equipment and support to: just about every public and community agency; to the unemployed, low income, aged and “vulnerable populations; for job creation efforts within designated zones and areas; and for public safety agencies (pages 398 to 402).
- Just about any entity could apply for a grant to roll out the BTOP program. Why not the local workforce Board? At the least, community colleges and Centers ought to take advantage of this program to offer vastly improved technology access for all students and customers.
- Each State gets at least one grant and there is a waivable 20% match requirement. The total amount available is \$4.7 billion* (page 14).
- There is also \$90 million to educate and outreach on “digital-to-analog” conversion*.

Weatherization, Energy and Other Green Stuff

- There is \$16.8 billion for weatherization (page 24). This will create a ton of “green” jobs for Center customers if linkages are made and training is arranged.
- A \$16.8 billion “Energy Efficiency and Renewable Energy” program is created (pages 24 and 31).
- \$4.5 billion is for “Energy Delivery and Energy Reliability” (page 24).
- There is more for fossil energy research, environmental cleanup, uranium decontamination and decommission, bunches of other research (pages 24 through 26), greening and maintaining Federal bases, buildings and vehicles (pages 18, 19, and 35), BLM, Nat’l Park and Forest maintenance and restoration (page 52, 53 and 56). Even the Nat’l Endowment for the Arts* gets \$50 million for the “arts sector” (page 57).
- HUD has \$4 billion for public housing including “energy conservation retrofits” (page 100) and more for the “Community Development Fund” (page 103).

Prioritizing and Assigning Next Steps

- Which grants will your agency pursue?
See the *'s throughout these notes.
- Which linkages should be made to attain the largest possible share of jobs, training opportunities and supportive services for our customers?
- Which grants should we hand off to partners and other local agencies?