

## Introduction

The Federal Legislative Update is published several times a year by the Texas Workforce Investment Council (Council) to inform stakeholders about developments in federal legislation that impact workforce policy. This second 2012 update focuses on recent legislation considered by the Congress during the first few months of the year.

Each United States Congress is two years in length and is made up of two sessions. The first session convenes on January 3 of odd-numbered years and subsequently adjourns on January 3 of the following year. The second session convenes from January 3 of even-numbered years, and continues to the following January 3.

The current 112th Congress is in session from January 2011 to January 2013. The second session of the 112th Congress was convened on January 3, 2012.



U.S. Congress Building

The Senate President is Joe Biden, the Senate President Pro Tempore is Daniel Inouye and the House Speaker is John Boehner. There are 100 Senators, 435 House Representatives and six non-voting members.

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## Appropriations

In February, President Obama unveiled his \$3.80 trillion fiscal year (FY) 2013 budget. The administration projects a \$1.33 trillion deficit for FY 2012, which would fall to \$901 billion in FY 2013 if the President's proposed policies are enacted. The Administration's budget would increase defense spending by 12 percent and nondefense discretionary spending by 7 percent.

On March 29, the House passed Budget Committee Chairman Paul Ryan's FY 2013 budget proposal (HCR 112) by a party-line vote of 228-191. The Ryan plan includes \$3.53 trillion in spending, would cut revenues by \$4.15 trillion, and would cut spending by \$4.39 trillion, increasing the 10-year deficit by \$240 billion to \$3.13 trillion. It has yet to be voted on by the Senate.

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## WIA Reauthorization

Various pieces of legislation drafted to reauthorize the Workforce Investment Act (WIA) have been filed during the current session of Congress. Below is a status summary of these federal bills. Also included in this list are bills that would affect some of the programs that fall under WIA.

**HR 4227, the Workforce Investment Act of 2012**, is the main vehicle for WIA reauthorization supported by the House minority. The bill is

sponsored by the leading Democrat members of the House Committee on Education and the Workforce, including Rep. Ruben Hinojosa of Texas. It has yet to be scheduled for a committee hearing.

The bill provides a comprehensive reauthorization of the nation's workforce development, adult education and vocational rehabilitation programs, while generally maintaining the current structure of the system. The bill aims to streamline workforce programs and will require states to establish unified

plans to coordinate job training, adult education and postsecondary education programs. The legislation also establishes performance measures for WIA programs and expands access for adults, youth and disabled individuals.

The bill appears to leave intact all previous grandfather clauses of the original WIA that allow Texas to maintain the current structure of its workforce development system, including the composition of the Council.

**HR 4297, the Workforce Investment Improvement Act of 2012**, is the House majority version of WIA reauthorization. The bill is sponsored by the leading Republican members of the House Committee on Education and the Workforce and received a committee hearing on April 17. The bill would consolidate 27 current federal workforce programs into a single \$6 billion Workforce Investment Fund, which would be allocated to states and local areas by formula. The bill would also require the Department of Labor (DOL) to conduct an independent evaluation of its programs every five years. This legislation is a combination of three bills previously filed to amend various sections of WIA.

This bill appears to repeal the section of the original WIA legislation which permits the Council to function as the state workforce investment board but retains other grandfather provisions that apply to Texas workforce system. The bill would require that 2/3 of state and local board members be business representatives.

**S 2108, the Youth Corps Act**, would create under WIA a new Youth Corps grant program to fund community-based programs that provide disadvantaged youth with mentor-led, paid community service and conservation work in conjunction with an educational component.

**S 2117, the Adult Education and Economic Growth Act of 2012**, would comprehensively reauthorize the Adult Education and Family Literacy Act (Title II of WIA). Provisions include raising the funding authority for state grants to \$850 million, the new authorization of a \$220 million allotment program to states for grants to infuse technology into adult education programs and to support digital literacy for participants and a tax credit for employers that invest in adult education.

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## Other Workforce-Related Legislation

**HR 3989, the Student Success Act, and HR 3990, the Encouraging Innovation and Effective Teachers Act**, were voted favorably along party lines from the House Committee on Education and the Workforce on February 28. The two bills are intended to replace the current “No Child Left Behind” elementary and secondary education

law. The bill’s primary author is the committee’s chairman, Rep. John Kline and would reduce the role of the federal government in K–12 education by allowing states to determine their own accountability systems and identify improvement strategies for individual schools. These bills have yet to be taken up by the Senate.

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## Recent Committee Hearings

**O**n **March 21**, the House Committee on Education and the Workforce held a hearing to receive testimony from DOL Secretary Solis about DOL priorities, particularly as outlined in the President’s proposed FY13 budget. The committee chairman, Rep. John Kline, began by expressing concern that the budget does nothing

to help cut costs for businesses and creates new mandates, regulations, and programs instead of streamlining them. The secretary highlighted DOL’s efforts in enforcement as well as working with community colleges to identify industry sectors and respond to employer’s need for trained workers.

Questions from majority members reflected concerns about the lack of data related to exactly how many jobs are left unfilled because of a possible skills gap, as well as the number of under-employed and unemployed no longer actively searching for work. There were also concerns expressed about the process surrounding updating labor rules related to agricultural workers and the impact this might have on family farms. The increased costs for employers related to implementing the new health care mandate was highlighted as well as concerns about the seeming lack of data demonstrating the effectiveness of WIA programs.

Minority members made brief remarks thanking the secretary for her efforts. They spoke favorably of their recently introduced bill to reauthorize WIA, HR 4227 mentioned previously. Some members also expressed concern that programs for veterans are not productive enough and seem to be disorganized.

On **March 28**, the House Appropriations Committee, Labor, Health and Human Services, Education, and Related Agencies Appropriations Subcommittee held a hearing to review the president's proposed DOL budget. Chairman Rehberg questioned Secretary Solis specifically about the governor's set-aside funds under the WIA. Secretary Solis indicated that set-aside funds have been moved to support other programs. Rep. Rehberg noted that reducing the set-aside funds from 15 percent to 5 percent was not intended to be permanent, and that the subcommittee

would be closely examining the status of the set-aside funds during this year's appropriation deliberations.



On **April 17**, the House Committee on Education and the Workforce held a hearing to receive testimony related to HR 4297, the Workforce Investment Improvement Act of 2012 mentioned above.

Discussion among the committee members and invited witnesses reviewed: program consolidation; vocational training for the disabled; veterans employment services; youth programs; ways to measure performance; how workforce boards function; how best to respond to employer needs; how to provide adult education; whether there is a need for separate funding streams; the role of community colleges; the importance of maintaining local control of programs; the value of sector partnerships; the need for governor-controlled statewide funds; the value of credentials and skills standards; the pending bill markup; and, the importance of a unified state workforce plan.

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**The Texas Workforce Investment Council promotes the development of a well-educated, highly skilled workforce for Texas and advocates a workforce system that provides quality workforce education and training opportunities.**

For more information, visit: <http://governor.state.tx.us/twic/>