



Federal Legislative Update

Quarter 2, April 2015

Introduction

The Texas Workforce Investment Council's *Federal Legislative Update* is published on a quarterly basis, and informs stakeholders about developments in federal legislation that impacts workforce policy for Texas. This update, the second of 2015, focuses on recent activity in Congress.

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 113th Session of Congress began on January 3, 2013, and ended on January 3, 2015. On November 20, 2014, the 113th Congress passed House Joint Resolution 129, setting the convening date for the 114th Congress as January 6, 2015.



U.S. House of Representatives

Membership & Leadership

The House of Representatives has 435 voting members and six non-voting members, currently consisting of 188 democrats, 246 republicans, and one vacancy.

The Senate has 100 senators, currently consisting of 44 democrats, 54 republicans, and two independents.

The 114th Congress includes the following leadership:

Senate

Senate President	Joe Biden
Senate President pro tempore	Orrin Hatch
Majority (Republican) Leader	Mitch McConnell
Assistant Majority Leader (Majority Whip)	John Cornyn
Minority (Democratic) Leader	Harry Reid
Assistant Minority Leader (Minority Whip)	Dick Durbin

House of Representatives	
House Speaker	John Boehner
Majority (Republican) Leader	Kevin McCarthy
Majority Whip	Steve Scalise
Minority (Democratic) Leader	Nancy Pelosi
Minority Whip	Steny Hoyer

Appropriations

Training

On February 2, the president unveiled his fiscal year (FY) 2016 budget request. The request proposes substantial new investments for workforce training under the Workforce Innovation and Opportunity Act, and expands opportunities for job-seekers and workers to improve their skills through initiatives designed to provide access for middle-skill credentials:

The Workforce Innovation and Opportunity Act

- Adult: \$815.6 million (\$38.9 million above FY 2015)
- Youth: \$73.4 million (\$41.6 million above FY 2015)
- Dislocated Worker: \$1.02 billion (\$5 million above FY 2015)
- Governor's Reserve (set-aside): 10 percent (level with FY 2015)
- Technical Assistance: \$3.2 million related to implementation

Senior Community Service Employment Program

The administration requests \$434.4 million, consistent with the FY 2015 level.

Wagner-Peyser Employment Service

\$1.06 billion (\$400 million above FY 2015). The budget also includes an additional \$100 million for combined Reemployment and Eligibility Assessments and Reemployment Services to recently separated veterans and the long-term unemployed, bringing the total supplemental request for reemployment services to \$500 million.

Trade Adjustment Assistance (TAA)

The legislative proposal would allocate a total of \$986 million for TAA, with \$575 million going toward training services and employment services. If the full legislative proposal is not enacted in FY 2016, the administration instead requests \$664.2 million.

The administration's proposed FY 2016 budget also requests \$21 billion in new mandatory investments for job-driven training initiatives that align job training with the needs of local and regional employers:

- High-Growth Sector Training and Credentialing: \$16 billion
- Apprenticeship Training Fund: \$2 billion
- Connecting for Opportunity (disconnected youth): \$3 billion

Education

The FY 2016 budget calls for discretionary appropriations of \$70.7 billion, an increase of about \$3.6 billion over the FY 2015-enacted level. The education budget includes proposals for new investments in education and skills for students and illustrates that policy makers recognize the fundamental need for education beyond high school.

- Career and Technical Education: \$1.3 billion (\$200 million above FY 2015)
 - Adult Education: \$569 million (level with FY 2015 appropriations)
 - Pell Grants: \$28.9 billion (maximum award level of \$5,915 for 2016–2017)
 - American Technical Training Fund: \$200 million
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As possible alternatives to the president's budget request, the House and Senate both passed versions of budget resolutions; the resolutions are similar and recommend significant changes and reduced appropriations to workforce, education, and training programs.

The House budget consolidates federal education and workforce development training. The budget proposes allowing for state flexibility to tailor programs to specific needs of their workforce. Additionally, the budget proposes freezing the Pell Grant award, which is a direct grant awarded to students with financial need who have not received a degree, at its current maximum award level of \$5,775 through 2025. Finally, the House budget proposes to eliminate \$759 billion in non-defense discretionary programs, such as occupational training and adult education programs.

The budget resolution from the Senate is similar to the House version although the cuts are not as significant. The Senate budget resolution calls for \$236 billion in cuts to non-defense discretionary programs. The budget also eliminates mandatory spending on the Pell Grant program, which would result in an \$89 billion cut to the program.

The president does not sign the budget resolution; the House and Senate Budget Committees develop and pass budget resolutions and resolve the differences between the two chambers. This produces a bicameral conference report, which the appropriations committees reference as they craft appropriations legislation for the upcoming fiscal year.

Spending levels have been set through 2021 by the 2011 Budget Control Act. Any appropriation that sets spending below those levels would likely be vetoed by the president. Even though the proposals within the budget resolutions will not be enacted, Congress is expected to use the budget conference report to initiate reconciliation.

Other Workforce-Related Legislation

The Texas Workforce Investment Council staff monitors federal workforce-related legislation. The following bills were recently introduced and will continue to be monitored throughout the 114th Legislative Session.

HR 5 – *The Student Success Act*, formerly known as the *Elementary and Secondary Education Act* (ESEA), revamps the *No Child Left Behind Act*. This bipartisan bill reduces the federal role, restores local control, and empowers parents and education leaders to hold schools accountable for effectively teaching students. The bill promotes state flexibility in implementing federal programs, as well as transparency and developing standards. Local school districts will have latitude on accountability and testing while providing choices for parents. The Senate reauthorized a similar version of the ESEA, the *Every Child Achieves Act*.

HR 344 – *The Manufacturing Jobs for Veterans Act* would authorize a \$50 million grant program for states to carry out a five-year pilot program to support manufacturing employers and labor-management organizations that provide training, on-the-job-training, apprenticeships, and certification classes to eligible veterans.

HR 607 – *The Help Hire Our Heroes Act* would reopen enrollment in the Veterans Retraining Assistance Program, which offered 12 months of technical training benefits to unemployed veterans ages 35 to 60. The bill would provide a 180-day period of enrollment and appropriate \$270 million for the effort.

HR 1121 – *The Online Job Training Act of 2015* amends the *Workforce Investment and Opportunity Act* to require the Department of Labor to award National Online Workforce Training Grants for workforce training programs using distance-learning technologies, such as the internet. This act requires such grants to be awarded on a competitive basis to educational institutions, community-based organizations, nonprofit organizations, state or local boards, or units of general local government that provide online workforce training. Grants will be awarded to: (1) provide technical assistance to entities that receive grants, (2) collect and nationally disseminate the data gathered by entities that receive grants, and (3) disseminate best practices.

HR 1279 – *The Education and Workforce Innovation Act* requires the Department of Education to create a pilot program to award grants to eligible entities that implement programs providing direct skills and job training for individuals entering and advancing in high-growth, emerging, and in-demand occupations. It also authorizes entities to develop and carry out a multi-year program that provides students with education and training to enter and advance in such industries, by providing: (1) customized training, (2) increased productivity and knowledge transfer, (3) a stable and predictable pipeline to a high standard of employment upon graduation, (4) a proven model of success, and (5) an opportunity for career advancement.

HR 1280 – *The Skills Connection Act* would direct the Department of Labor to create a searchable and publicly available database containing a registry of industry-recognized credentials, a skills database, and a job bank. The act would enable programs that effectively increase the numbers of workers with credentials to receive priority under youth workforce investment programs; statewide employment and training programs; career and technical programs; and training programs for trade adjustment assistance workers.

SB 191 – *The Educating Tomorrow’s Workforce Act of 2015* would amend the *Carl D. Perkins Career and Technical Education Act*. The legislation would define a rigorous career technical education curriculum and require federal funding recipients to incorporate such elements as credit transfer agreements, academic and technical skill assessments, and professional development. The measure would also authorize funding to be used to set up career academies.

SB 478 – *The Career Ready Act of 2015* would encourage states to require school districts to report on career readiness indicators, such as participation in and receipt of technical education industry-recognized credentials. The legislation would also expand use of the Elementary and Secondary School Counseling grant program to train school counselors on the use of labor market information and allow them to build partnerships with local workforce investment boards and other organizations involved in workforce development.

SB 574 – *The Leap Act* would create a tax credit for employers who hire federally registered apprentices. The credit would be worth \$1,500 for each apprentice under age 25 and \$1,000 for those 25 and older.

SB 568 – *The Trade Adjustment Assistance Act of 2015* would reauthorize the act and related programs through the end of 2020 and restore eligibility, and benefit and service provisions to those under the *American Recovery and Reinvestment Act*.

SB 696 – *The Next Generation High Schools Act* would authorize a \$300 million high school redesign program that provides real-world and workplace learning experiences, increases student readiness for careers in science and technology fields, and offers dual enrollment and opportunities to earn industry-recognized credentials.
