



NATIONAL SKILLS COALITION  
Every worker. Every industry. A strong economy.

# Audio Update: Budget Analysis

February 28, 2011

# Our Vision

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We seek an America that grows its economy by investing in its people, so that every worker and every industry has the skills to compete and prosper.



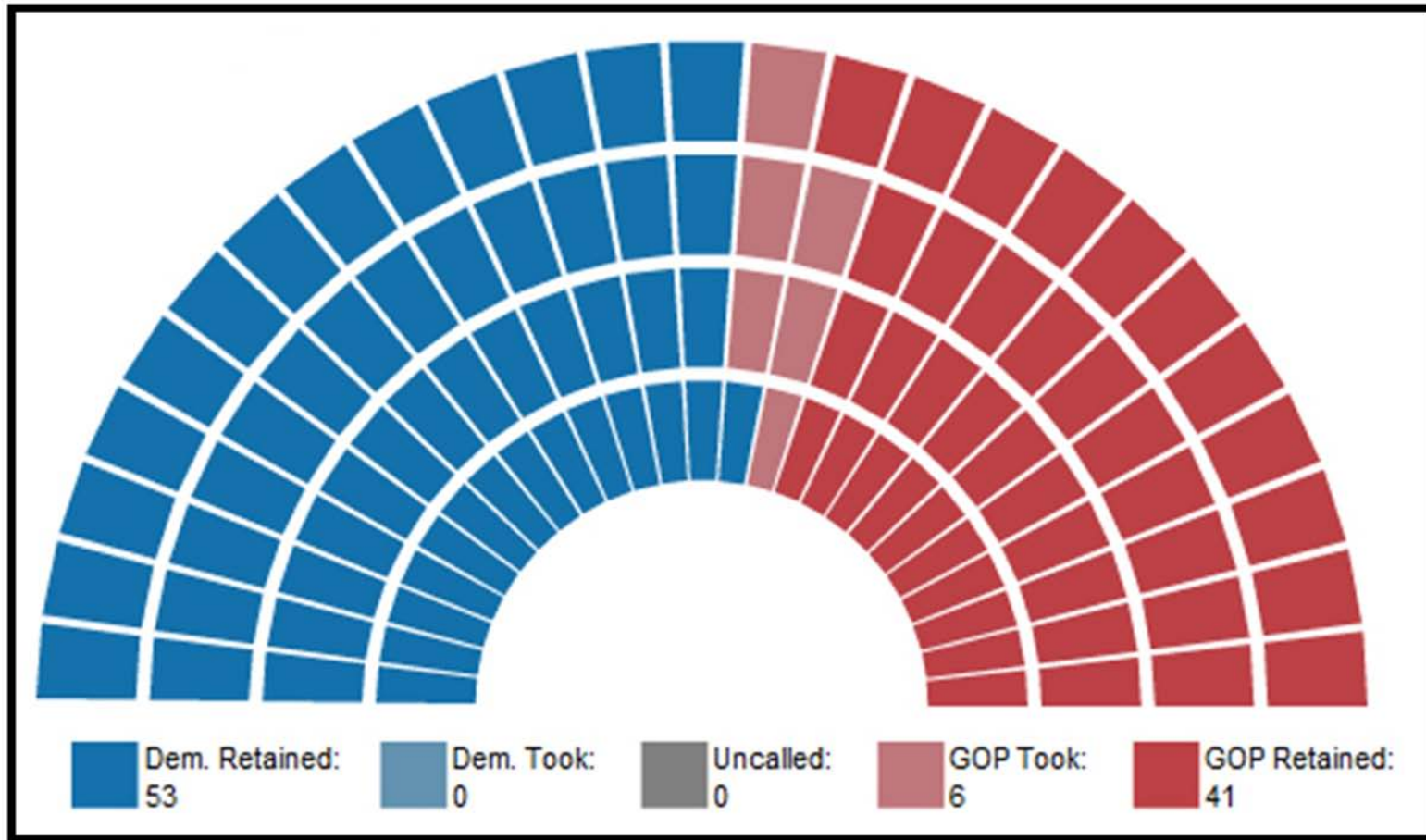
# Our Mission

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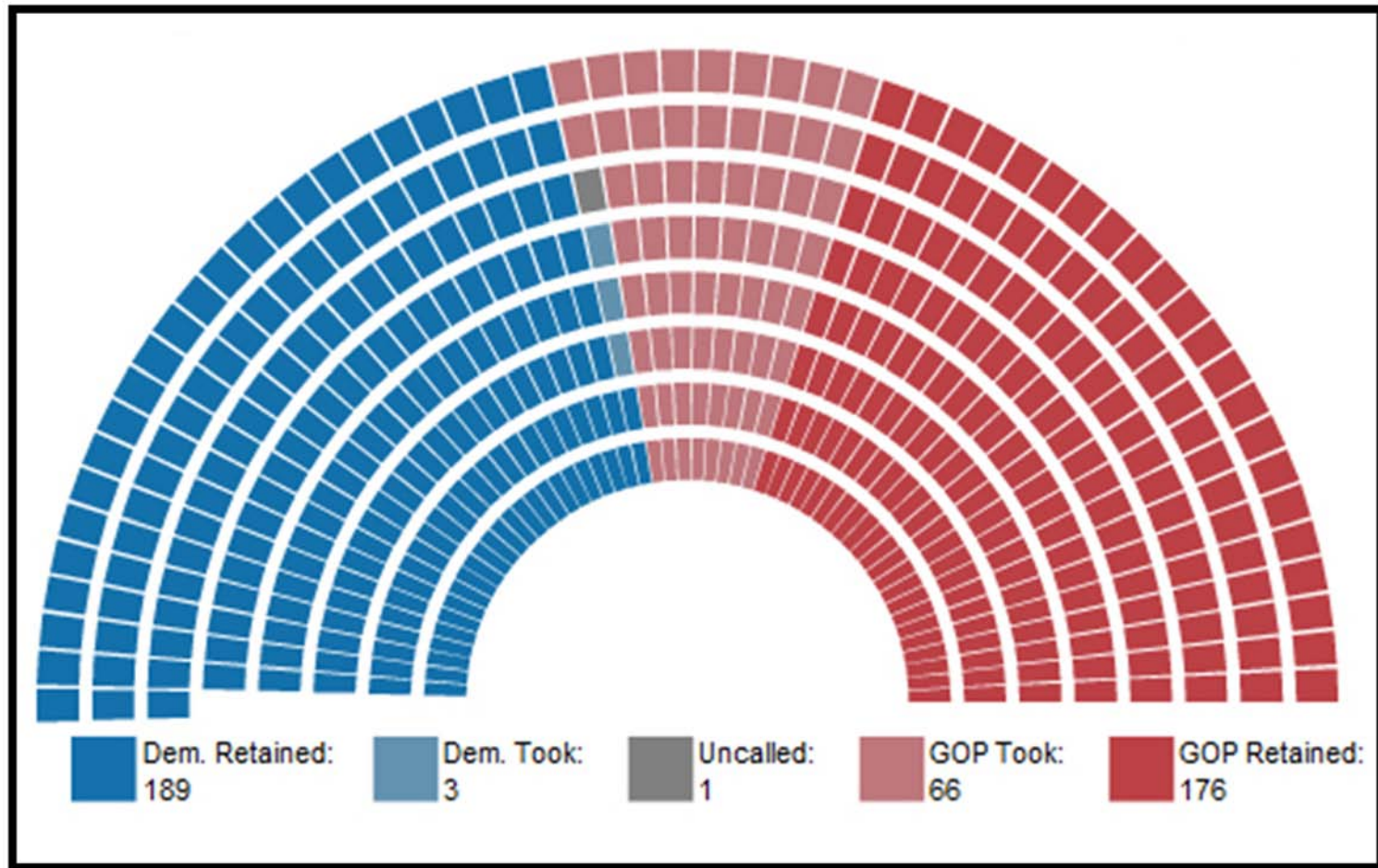
- We **organize** broad-based coalitions seeking to raise the skills of America's workers across a range of industries.
- We **advocate** for public policies that invest in what works, as informed by our members' real-world expertise.
- And we **communicate** these goals to an American public seeking a vision for a strong U.S. economy that allows everyone to be part of its success.



# November Elections: Senate

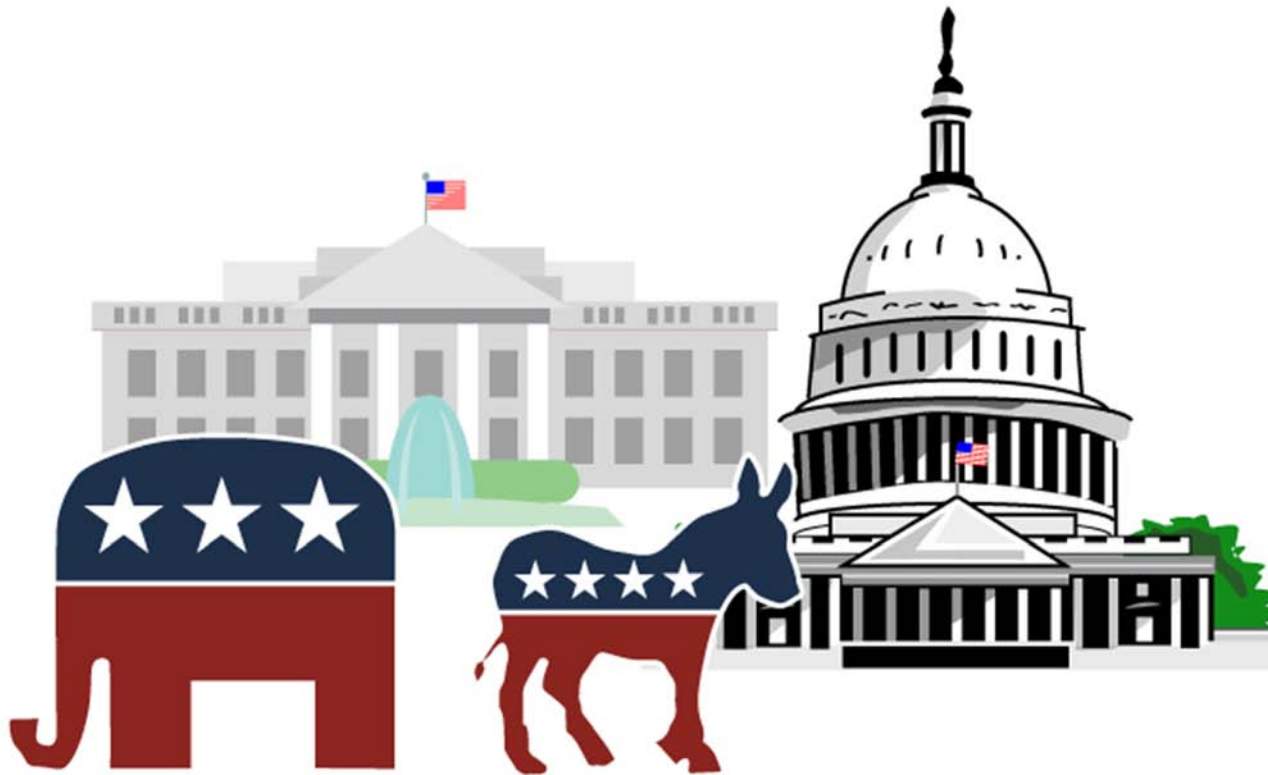


# November Elections: House

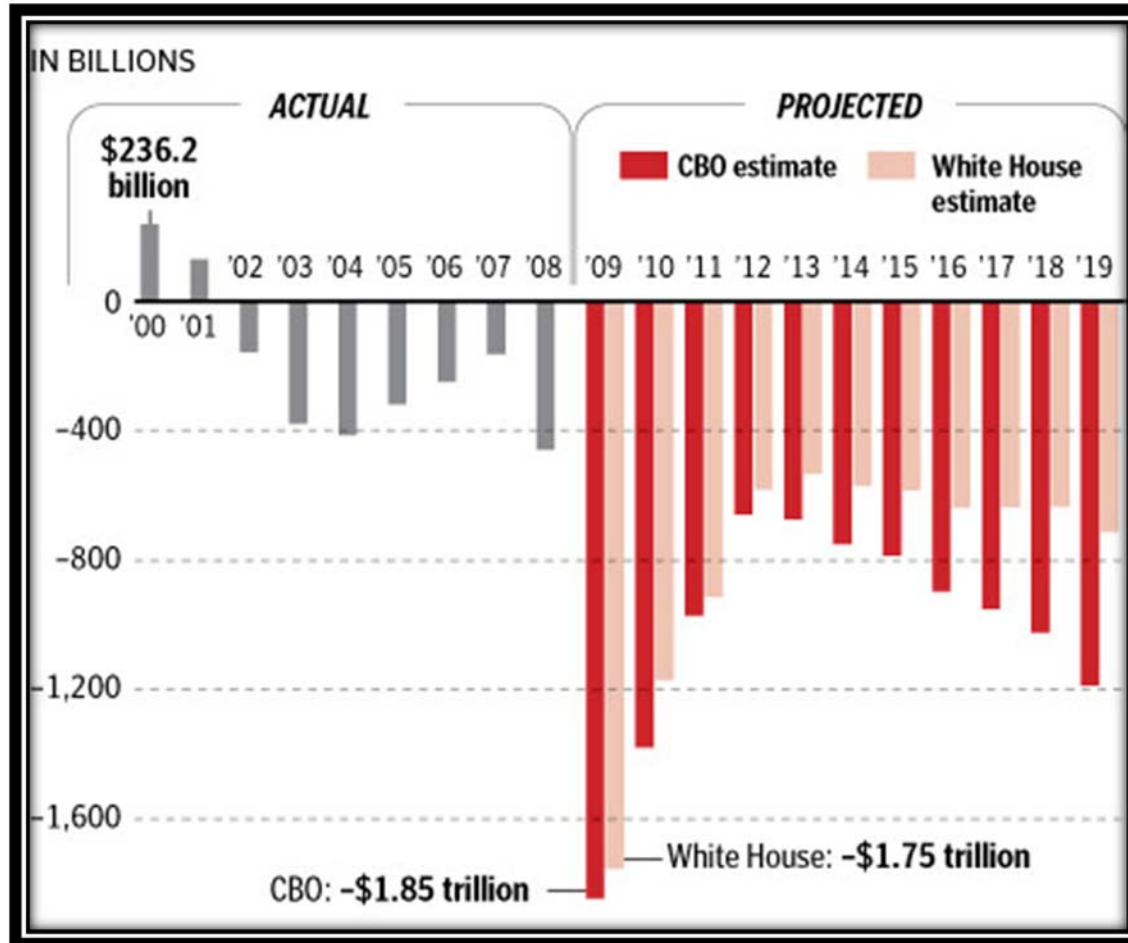


# November Elections: Deep Partisanship

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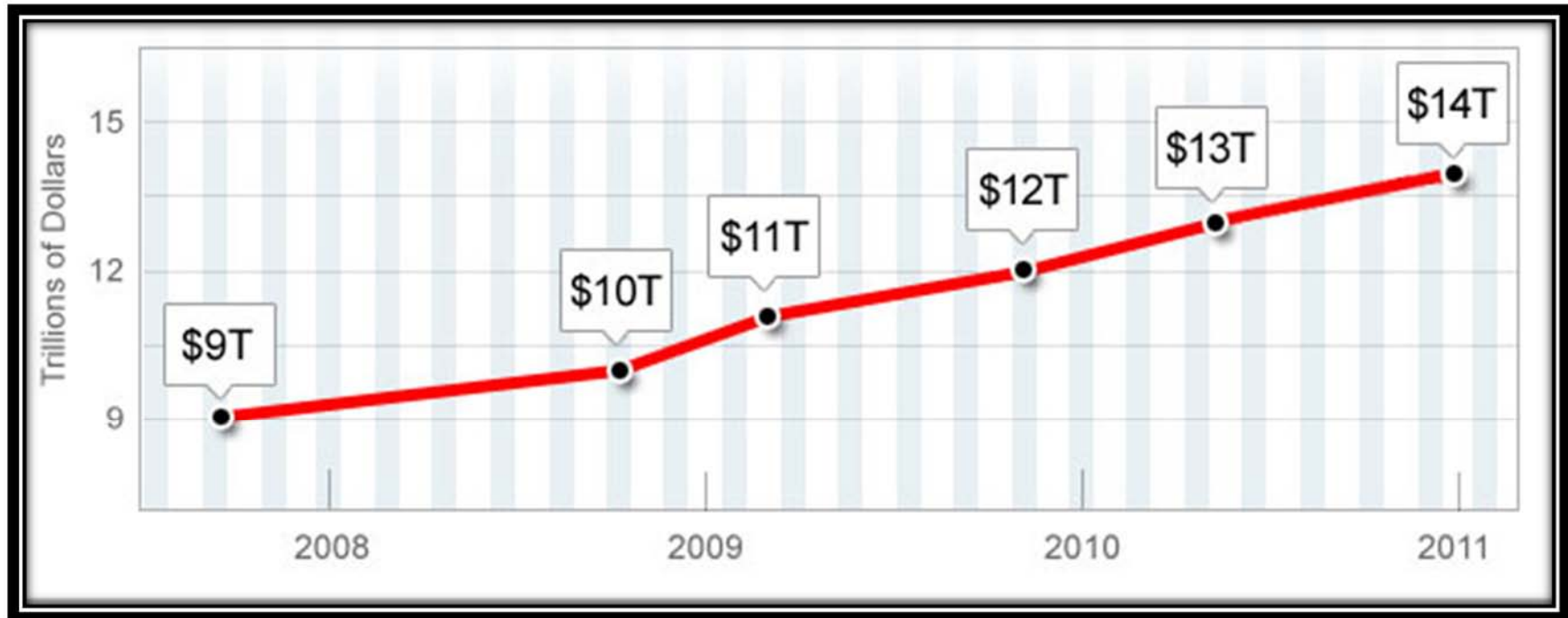


# Federal Deficit



# Federal Debt

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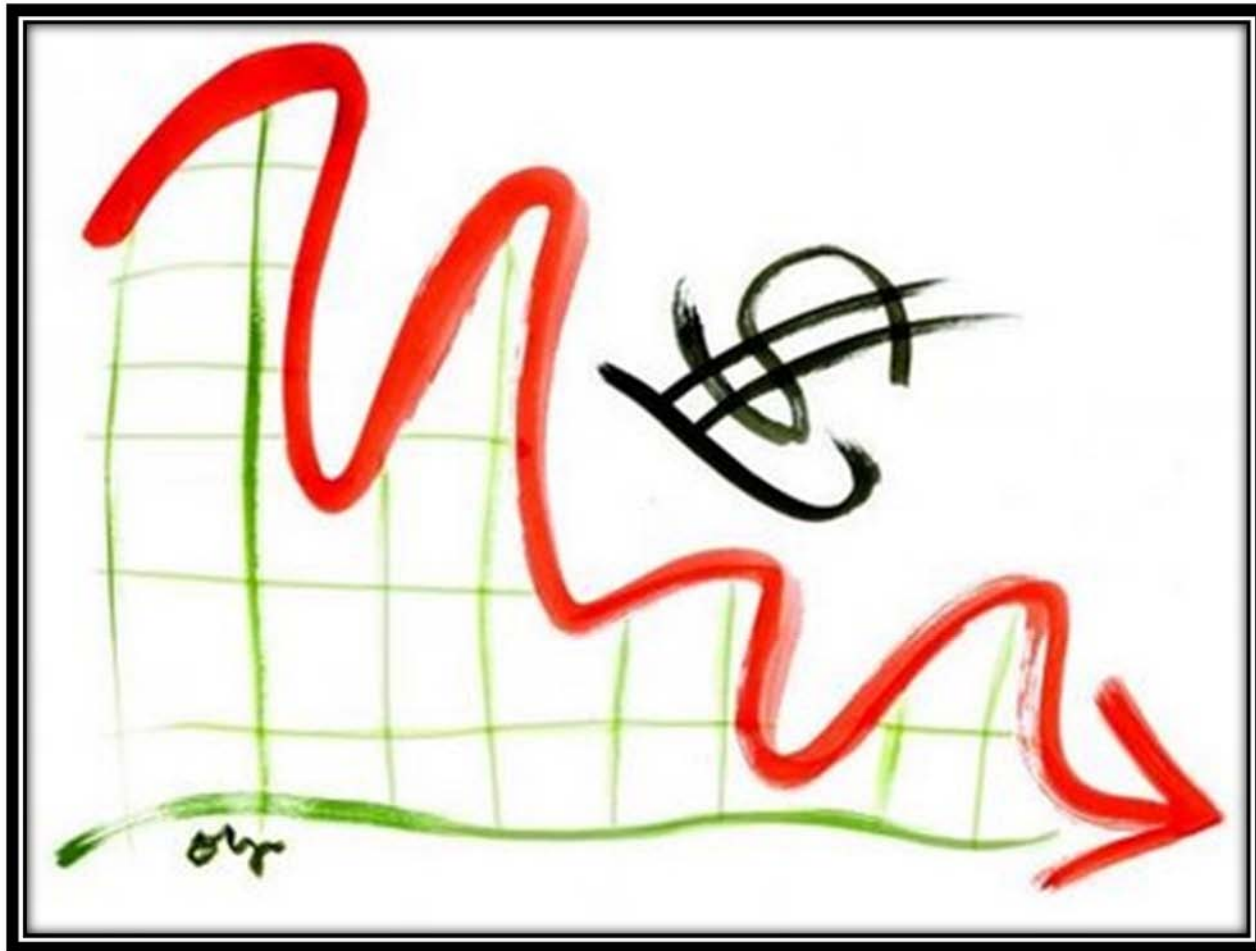


# Driving the Political Debate



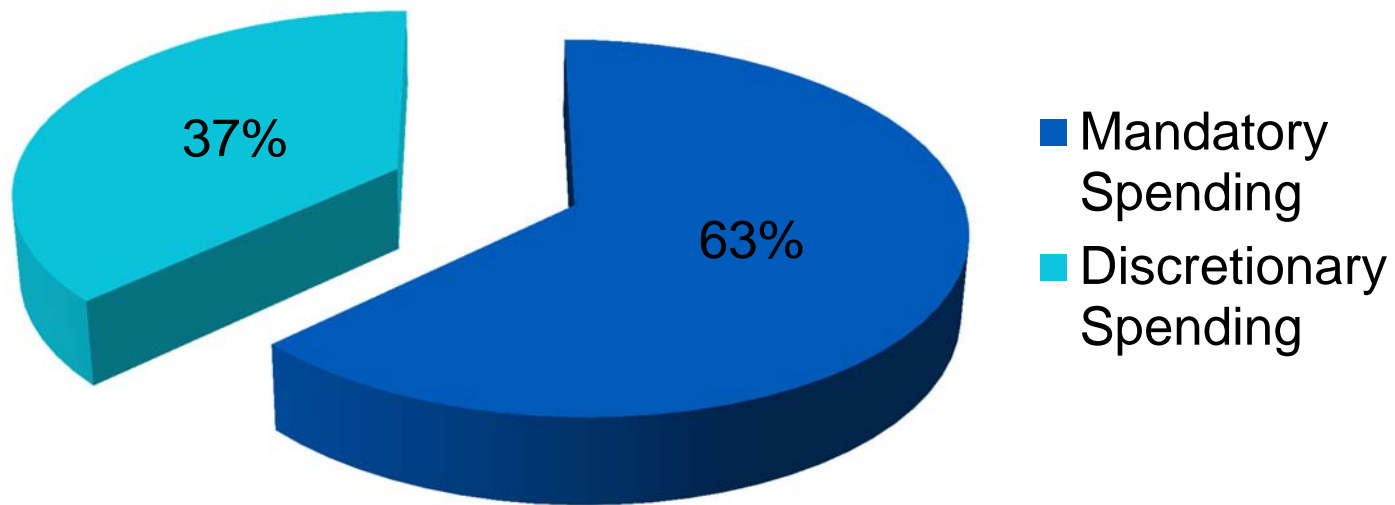
# Policy Response: Cut Spending

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# Total Federal Spending, 2010

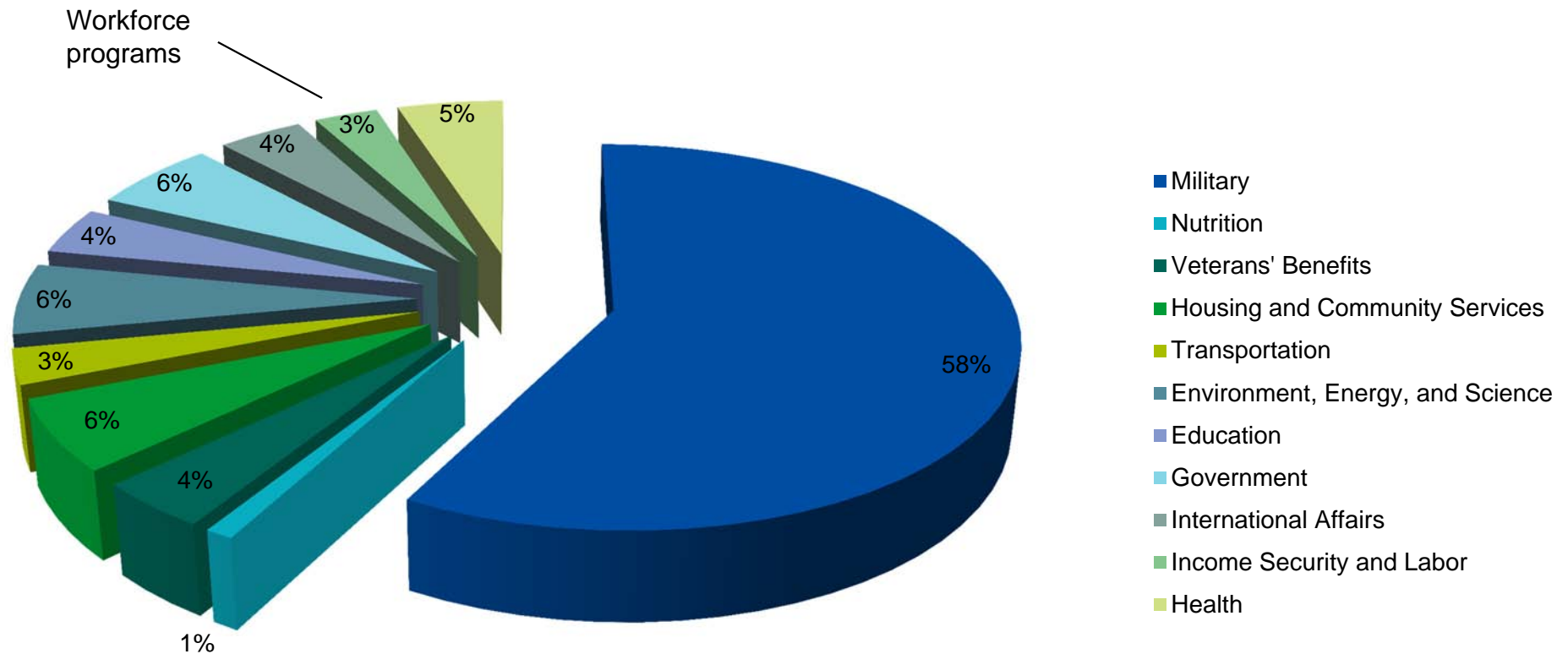
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Source: Washington Post, <http://www.washingtonpost.com/wp-srv/special/politics/budget-2010/>



# Non-Defense Domestic Discretionary Spending, 2010



Source: Think Progress, <http://thinkprogress.org/2010/11/16/gates-deficit-department-defense/>



# Continuing Resolution (FY 11)

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Closed for Business



# HR 1, Department of Labor

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## \$3.8B in job training cuts under DOL

- \$2.97B WIA (PY 2011 zeroed out, including advanced appropriations)
- **ELIMINATED:** YouthBuild (\$102.5M), Green Jobs (\$40M), Career Pathways (\$125M), Ex-offenders (\$108.5), WDQI (\$12.5M); Earmarks (\$48.9), C-SEP (\$525M), Dislocated Worker National funds (\$165M)
- **RESCISSIONS:** Dislocated Worker National funds (\$165M), Evaluation (\$10M)

*NOTE: compared to FY 10 funding levels*



# HR 1, Department of Education

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- Reduces maximum Pell award from \$5550 to \$4705 – cut of \$5.7B\*
- Eliminates Perkins Tech Prep, reduces overall Perkins funding by 8 percent

\*Would also trigger provision eliminating mandatory funding starting FY 2014, reducing funding by \$66B over the next decade (CBO)



# Administration, Senate Response

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- President has issued official veto threat
- Senate working on 7-month CR, cuts \$8.5B in FY 2011 earmarks, \$24.7B in other cuts
- Stopgap bill(s):
  - Senate: 30 days level funded
  - House 2-week pro-rated stopgap (\$4 billion in cuts)



# FY 2012 Budget Overview

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- \$3.7 trillion
- 5-year freeze  
non-security domestic  
discretionary  
spending
- Investments in  
infrastructure, energy,  
education



# Department of Labor

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- Overall - \$12.8 billion (5 percent less than current levels)
  - ETA funding \$9.9 billion (6.6 percent cut)
- Workforce Innovation Fund
- Some increases, some decreases

## Current Funding

View NSC's Complete Budget Chart at:  
[www.nationalskillscoalition.org/FederalFunding](http://www.nationalskillscoalition.org/FederalFunding)

### DEPARTMENT OF LABOR

### DEPARTMENT OF EDUCATION

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Other ETA  
Programs

Pell Grants

Career &  
Technical  
Education

Adult  
Education

#### FY 2011 BUDGET ENACTED\*

WIA Adult Formula (to states)	\$861,540,000
WIA Dislocated Worker Formula (to states)	\$1,183,840,000
WIA Youth Formula & Competitive Grants	\$924,069,000

#### FY 2012 PRESIDENT'S BUDGET REQUEST

WIA Adult Formula (to states)	\$860,527,000
Contribution to Innovation Fund	(\$68,842,160)
WIA Dislocated Worker Formula (to states)	\$1,174,603,000
Contribution to Innovation Fund	(\$93,968,240)
WIA Youth Formula & Competitive Grants	\$923,913,000
Contribution to Innovation Fund	(\$73,913,040)

Overall, the amount requested for WIA formula grants to state (Adult, Dislocated Worker, Youth) is \$2,959,043,000, slightly less than 1 percent below FY 2011 enacted levels. However, these amounts are subject to an 8 percent "contribution" at the federal level to support proposed Workforce Innovation Grants.

*\*FY 2011 appropriations never enacted; numbers reflect FY 2010 enacted levels as extended under FY 2011 continuing resolution.*

*\*Formula fund reduction.*

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**FY 2011 BUDGET ENACTED\***

Trade Adjustment Assistance	685,000,000
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**FY 2012 PRESIDENT'S BUDGET REQUEST**

Trade Adjustment Assistance	\$260,000,000
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Federal funding for TAA training and related administrative costs declines by about \$425 million, reflecting the expiration of the 2009 amendments (including the increased cap on training funds) under the Trade and Globalization Adjustment Assistance Act.

*\*FY 2011 appropriations never enacted; numbers reflect FY 2010 enacted levels as extended under FY 2011 continuing resolution.*

# TGAAA Allowed to Expire

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- Service workers and public sector workers no longer eligible
- Training funds revert to \$220M (from \$575M)
- Reverts to 130 weeks of training (from 156)



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#### FY 2011 BUDGET ENACTED\*

WIA Adult Workforce Innovation Fund	\$0
WIA Dislocated Worker Workforce Innovation Fund	\$0
WIA Youth Innovation Fund	\$0
Career Pathways Innovation Fund*	\$125,000,000
Green Jobs Innovation Fund*	\$40,000,000
Competitive Grants for High Growth and Emerging Industries/High Growth Job Training Initiative	\$220,000,000

*\*FY 2011 appropriations never enacted; numbers reflect FY 2010 enacted levels as extended under FY 2011 continuing resolution.*

#### FY 2012 PRESIDENT'S BUDGET REQUEST

WIA Adult Workforce Innovation Fund	\$68,842,160
WIA Dislocated Worker Workforce Innovation Fund	\$93,968,248
WIA Youth Innovation Fund	\$73,913,040
Career Pathways Innovation Fund*	\$0
Green Jobs Innovation Fund	\$60,000,000
Competitive Grants for High Growth and Emerging Industries/High Growth Job Training Initiative	\$125,000,000

The administration has proposed nearly \$380 million in combined funding for Workforce Innovation Grants to be jointly administered through the Departments of Education and Labor, including \$237 million in WIA funds, \$61 million under the Employment Service authorized through the Wagner-Peyser Act, \$47 million in funding from state adult basic education grants, and \$30 million under the Department of Education's vocational rehabilitation.

# Community College Grants

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- Not cut under CR
- Not impacted by TGAAA expiration
- House proposed using \$238M as offset for TGAAA extension (didn't pass)
- \$1.5B still on the table, target for rescission?



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#### FY 2011 BUDGET ENACTED\*

Wagner-Peyser/Employment Service Grants to States	\$703,576,000
WIA Dislocated Worker National Reserve	\$229,160,000
Jobs Corps	\$1,708,205,000
Youth Build	\$102,500,000
Reintegration of Ex-Offenders	\$108,493,000
ETA National Activities - Pilots and Demos	\$93,450,000
Native Americans	\$52,758,000
Migrant and Seasonal Farm Workers	\$84,620,000

*\*FY 2011 appropriations never enacted; numbers reflect FY 2010 enacted levels as extended under FY 2011 continuing resolution.*

#### FY 2012 PRESIDENT'S BUDGET REQUEST

Wagner-Peyser/Employment Service Grants to States	\$764,757,000
WIA Dislocated Worker National Reserve	\$229,160,000
Jobs Corps	\$1,699,747,000
Youth Build	\$115,000,000
Reintegration of Ex-Offenders	\$90,000,000
ETA National Activities - Pilots and Demos	\$6,616,000
Native Americans	\$54,158,000
Migrant and Seasonal Farm Workers	\$86,620,000

Job Corps and Reintegration of Ex-Offenders see modest reductions, while National Activities – Pilots and Demos is reduced by nearly \$90 million, reflecting in part the non-inclusion of congressional earmarks.

# Department of Education

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- Overall discretionary funding \$77.4B, up from \$64B in FY 2010
- Pell Grant Protection Act
- Workforce Innovation Fund
- College Completion Incentive Grants



# Pell Grants

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- 9.6M recipients in 2012 (6.2M in 2008)
- Maintains maximum award at \$5,550
- Eliminates “year-round” Pell, in-school interest subsidy for graduate students



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**FY 2011 BUDGET ENACTED\***

Pell Grants \$35,772,935†

†Because Pell Grant appropriations available over two-year period, reflects available funding rather than appropriations.

\*FY 2011 appropriations never enacted; numbers reflect FY 2010 enacted levels as extended under FY 2011 continuing resolution.

**FY 2012 PRESIDENT'S BUDGET REQUEST**

Pell Grants \$36,072,930\*\*

The President proposes maintaining the current maximum Pell award at \$5,550, which will serve an anticipated 9.6 million low- and moderate-income students in the 2012-2013 award year. FY 2012 appropriations would be \$41.2 billion, of which \$28.6 billion is discretionary.

The budget does not reprise the President's FY 2011 request that all Pell Grant appropriations be mandatory spending.

# College Completion Incentive Grants

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- \$1.25B in FY 2012-16, but only \$50M in FY 2012
- Support state efforts to increase completion, eliminate achievement gaps



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#### FY 2011 BUDGET ENACTED\*

Career and Technical Education	\$1,271,694,000
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#### FY 2012 PRESIDENT'S BUDGET REQUEST

Career and Technical Education	\$1,008,000,000
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The administration is requesting roughly \$264 million below current levels for career and technical education programs in FY 2012, reflecting approximately \$161 million less for career and technical education state grants, and a proposed elimination of the Tech-Prep program, currently funded at \$103 million.

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### DEPARTMENT OF LABOR

Workforce Investment Act	Trade Adjustment Assistance	Discretionary Funds	Other ETA Programs
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### DEPARTMENT OF EDUCATION

Pell Grants	Career & Technical Education	Adult Education
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#### FY 2011 BUDGET ENACTED\*

Adult Basic Education State Grants	\$628,000,000
Workforce Innovation Fund	\$30,000,000

#### FY 2012 PRESIDENT'S BUDGET REQUEST

Adult Basic Education State Grants	\$635,000,000
Workforce Innovation Fund	(\$50,800,000)

The administration has requested overall funding of \$635 million for adult education state grants, of which 8 percent (\$50.8 million) would be set aside for a Workforce Innovation Fund.

*\*FY 2011 appropriations never enacted; numbers reflect FY 2010 enacted levels as extended under FY 2011 continuing resolution.*

*\*Formula fund reduction.*

# Questions?

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# Contact

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