

President Signs Continuing Resolution Setting WIA Funding for First Quarter of Program Year 2011

After a half year of often acrimonious debate, Congress approved and the President signed legislation (H.R. 1473) funding the federal government for the remainder of Fiscal Year 2011 (ends September 30). The agreement reduces federal domestic spending by nearly \$40 billion. Unfortunately, WIA contributed almost a half billion dollars to these reductions.

Of primary significance, WIA's three core funding streams—Adults, Dislocated Workers and Youth—were reduced by over 10 percent from almost \$3.2 billion to about \$2.9 billion. These reductions will come out of the first quarter of Program Year 2011 (July 1, 2011 through September 30, 2011).

- Adult programs will be reduced by \$90.5 million to \$771 million. WIBs with significant under spending may be able to weather this cut.
- Youth programs are reduced by \$96 million to a new level of \$828 million.
- Dislocated Worker Programs are reduced by \$120 million to less than \$1.1 billion and the National Reserve drops \$5 million to a new level of \$224 million.

The Administration won a small version of its proposed Workforce Innovation Fund, as outlined in the President's proposed 2012 budget, but to come up with \$125 million Congress reduced the WIA state setasides from 15 percent to 5 percent for the coming year. To appease the states at least a bit, the legislation stipulates that innovation funds must go to states or consortia of states or regional partnerships (not defined).

In earlier rounds of cuts, the Green Jobs Innovation Fund, the Career Pathways Innovation Fund and authority to provide transitional jobs were eliminated and Youthbuild, Pilots & Demos and Reintegration of Ex-Offenders programs received major cuts.

The Job Corps program was spared the pain as funding will remain at \$1.7 billion for the coming Program Year. Its construction account was hit with a \$75 million rescission of unspent funds; however, the Secretary of Labor may transfer up to 25 percent of the construction account to the operational account if need be. In a note of the new austerity, the Department is prohibited from opening any new centers in Program Year 2011.

In other actions, the Senior Community Service Employment Program was cut almost in half. This program serves both as a referral source for senior work experience jobs and has provided staff assistance in some one-stops. In a major concession to the Administration, the maximum Pell Grant award will remain at \$5,550; however, "year round Pell" which allows year round students to receive two grants in a year was eliminated.

Finally, it should be noted that all domestic programs were subjected to a 0.2% across the board cut. This reduction is not reflected in the table below. Please contact me if you have any questions.

WIA and Related Program Funding Final 2011 Continuing Resolution

Program	FY 2010 Actual (in 1,000s)	FY 2011 CR (in 1,000s)	Change FY 10-11 (in 1,000s)	% Change FY 10-11
<i>WIA Adult</i>	\$861,540	\$771,040	-\$90,500	-10.5%
<i>WIA Youth</i>	924,069	827,569	-96,500	-10.4%
<i>WIA Dislocated Worker</i>	1,183,840	1,063,840	-120,000	-10.1%
<i>WIA DW National Reserve</i>	229,160	224,160	-5,000	-2.2%
<i>YouthBuild</i>	102,500	80,000	-22,500	-22.0%
<i>Ex-Offender Reintegration</i>	108,493	85,561	-22,932	-21.1%
<i>Senior Community Service Employment Program (SCSEP)</i>	825,425	450,000	-375,425	-45.5%
<i>Pilots, Demonstrations and Research</i>	93,450	10,000	-83,450	-89.3%
<i>Transitional Jobs Activities</i>	45,000	0	-45,000	-100%
<i>Green Jobs Innovation Fund</i>	40,000	0	-40,000	-100%
<i>Career Pathways Innovation Fund (FY 10)</i>	125,000	0	-125,000	-100%
<i>Career Pathways Innovation Fund (FY 11)</i>	125,000	0	-125,000	-100%