

Developing Talent for a Global Economy



Employment & Training Administration FY 2008 Budget

February 5, 2007

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UNITED STATES DEPARTMENT OF LABOR

Slide 1 –Title Page

Welcome. It's a pleasure to see old friends, and on behalf of ETA, we're pleased to see new faces.

All of us in the federal, state and local workforce investment system have been engaged in preparing workers and developing their talents for a global economy. It's been a journey of learning as the forces of globalization and technology and the demographics of the American workforce present new challenges for American workers. I am here today to outline the President's 2008 budget request for ETA. These resources, coupled with the reforms sought in WIA, will help the public workforce investment system prepare, educate, and train America's workers to compete at the forefront of the global economy.

An Evolution for Workers



- Expanding access to education and training
- Upgrading skills to open up opportunities in high growth industries
- Aligning regional resources – talent, business and education – to promote job creation and prosperity for America's workers



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Slide 2 – An Evolution for Workers

The public workforce system has been evolving to meet the challenges and the needs of the 21st century economy.

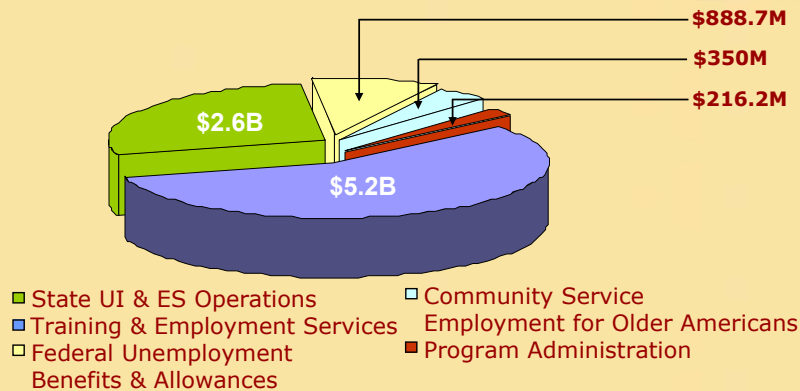
In this evolution, our focus has been on:

- expanding access to education and training
- upgrading skills to open opportunities in high growth industries
- aligning regional resources – talent, business and education – to promote job creation and prosperity for America's workers

ETA FY 2008 Budget Request



Total Request: \$9.29 Billion



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Slide 3 – Overall Pie

The Administration's Budget reflects this evolution. It requests \$9.29 billion for FY 08.

This includes \$5.2 billion for training and employment services . . .

\$2.6 billion for State Unemployment Insurance and ES National Activities

\$350 million for Community Service Employment for Older Americans . . .

Almost \$889 million for Federal Unemployment Benefits and Allowances and trade-impacted workers

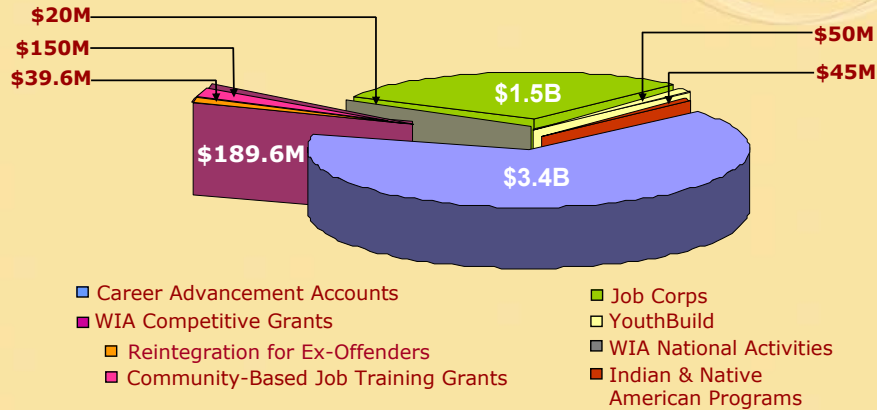
\$216.1 million for Program Administration

[Non-add of \$2.75 billion in Advances to the Unemployment Trust Fund.]

Training & Employment Services



Total Request: \$5.24 Billion



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Slide 4 – TES Pie Chart

The majority of ETA's funding is found in the \$5.24 billion training and employment services portion of the budget, which includes

\$3.4 billion for Career Advancement Accounts

\$1.5 billion for returning Job Corps from its new home in the Office of the Secretary to its natural home in ETA.

\$189.6 million has been proposed to support two key Initiatives:

- \$150 million devoted to the competitive Community-Based Job Training Grants initiative and
- \$39.6 million for a new initiative for reintegrating adult and youth ex-offenders

The Training and Employment Services budget also includes

- \$50 million for YouthBuild and
- \$45 million for programs directed toward American Indians

WIA Transformation



- **WIA Reauthorization Goals:**
 - Strengthening workers' ownership of their careers through CAAs
 - Tripling the number of workers trained
 - Improving governance
 - Promoting state and local flexibility
 - Strengthening One-Stop Career Centers

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Slide 5 – WIA Transformation

The Budget is linked to transforming the workforce investment system so that workers are well-positioned to succeed in the global economy. As Congress continues to consider WIA reauthorization, the Administration's goals are:

- Strengthening workers' ownership of their careers and recognizing that 90% of new jobs require post-secondary training
- Tripling the number of workers trained
- Improving governance
- Promoting state and local flexibility
- Strengthening One-Stop Career Centers

Career Advancement Accounts



- Over 600,000 workers would access educational & training opportunities
- Up to \$6,000 over two years
- Accounts for adults, youth, transitioning and incumbent workers



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Slide 6 – Career Advancement Accounts

Key to that vision is our proposal, reflected in this budget, for Career Advancement Accounts.

Our CAA proposal has benefited significantly from two factors:

1. consultation with many of our stakeholders
2. provisions of the House-passed WIA reauthorization from the last Congress

ETA proposes to allocate \$3.4 billion to states as a single funding stream by consolidating funds for: WIA Adult, Dislocated Worker, and Youth Services, as well as Wagner Peyser. This single funding stream would provide funds for CAAs and basic employment services.

CAAs, as enhanced ITA's, are self-directed accounts that will enable current and future workers to gain the skills needed to successfully enter, navigate and advance in 21st century careers.

CAAs would be available to adults and out-of-school youth entering or reentering the workforce or transitioning between jobs, or incumbent workers in need of new skills to remain employed or to move up the career ladder. One-Stop Career Centers would deliver employment services to job seekers with CAA funding, as well as provide access to the accounts.

The maximum amount of a CAA account would be \$6,000 per worker over two years.

Additional Investments Driving Innovation



Community-Based Job Training Grants	\$150M	To Date: \$250M
President's High Growth Job Training Initiative	H-1B	\$284M
WIRED	H-1B	\$260M
Total		\$794M



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Slide 7 – Additional Investments In Workers' Education and Training

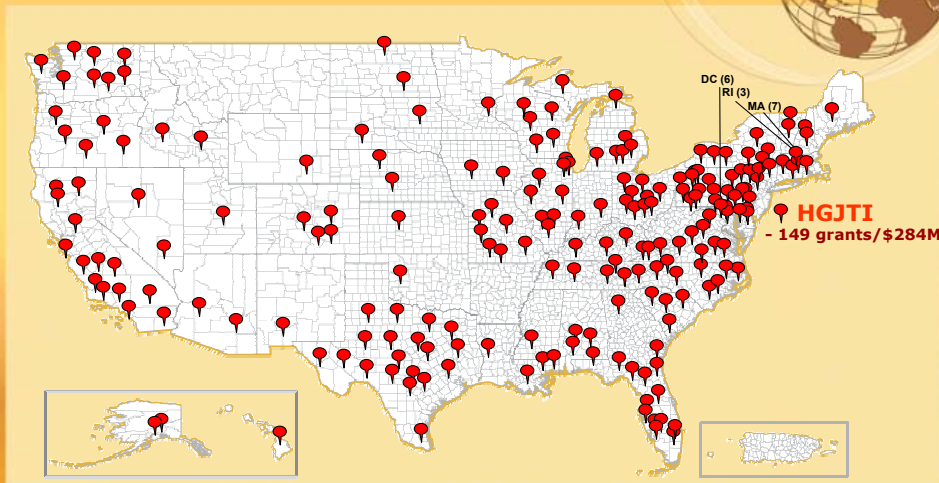
This Budget seeks to continue additional investments in workers' education and training through three initiatives:

ETA's FY 2008 Budget requests \$150 million for Community-Based Job Training Grants (CBJTG) to strengthen the role of community and technical colleges as training providers for the labor force and as a workforce investment partner.

The High Growth Job Training Initiative (HGJTI) creates partnerships among the workforce investment system, educators and employers. Using H-1B fees, HGJTI is the cornerstone of the Department's efforts to create a workforce investment system that is demand-driven and balances the skills of America's workers with the demands of employers. ETA's FY 2008 Budget will allow the agency to continue to fund national models and demonstrations of workforce solutions in high growth industries as part of the HGJTI.

The Workforce Innovation in Regional Economic Development (WIRED) Initiative supports innovative approaches to workforce and economic development that go beyond traditional strategies preparing workers to compete and succeed. Through WIRED, ETA seeks to catalyze the creation of high skill and high wage opportunities for American workers within the context of regional economies.

President's High Growth Job Training Initiative



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Slide 8 – President's High Growth Job Training Initiative

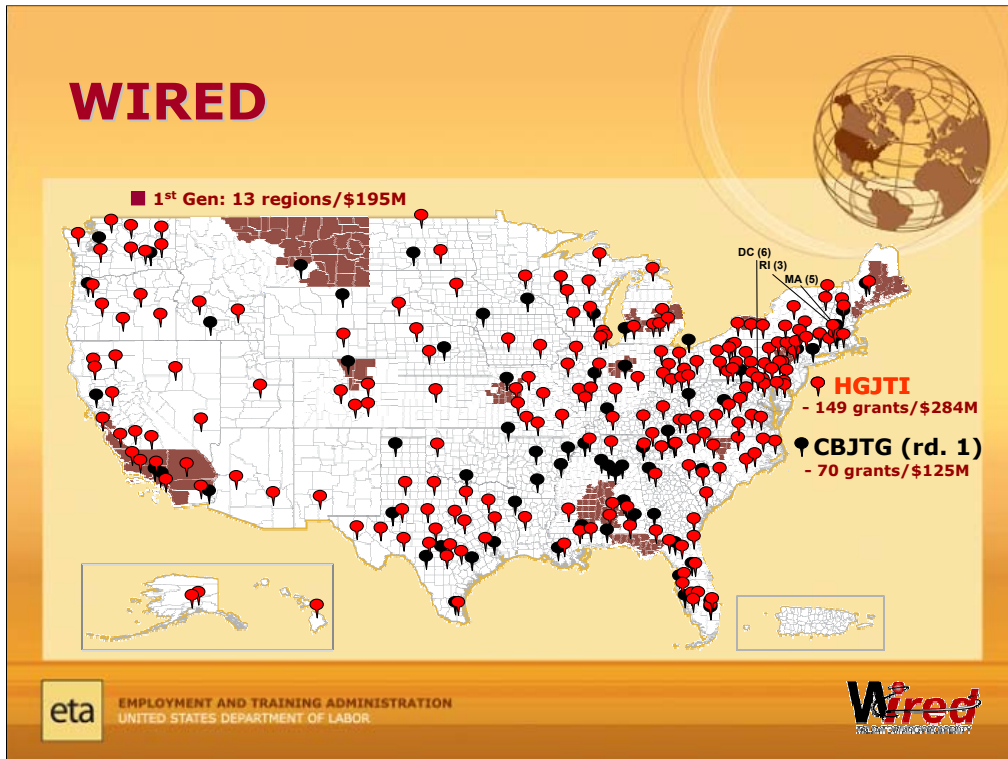
Over the past four years, we have invested in 149 grants worth \$284 million through the President's High Growth Job Training Initiative. Activities involving tens of thousands of workers are taking place in 44 states.

Community-Based Job Training Grants



Slide 9 – Community-Based Job Training Grants

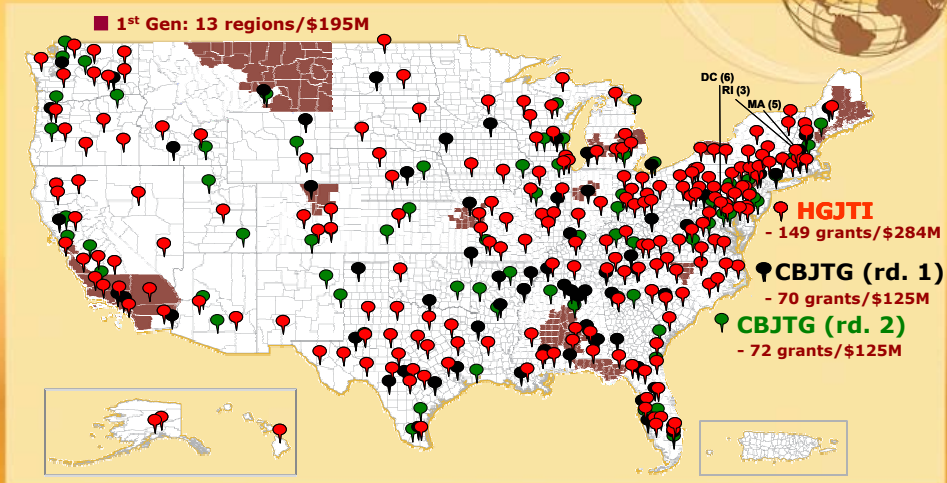
In October 2005, we announced awards from the first competition for the President's Community-Based Job Training Grants. An investment of \$125 million was made into 70 local and regional community colleges in 40 states.



Slide 10 – WIRED – First Generation

A year ago this week, we launched the results of the WIRED competition among governors from nearly every state. Thirteen regions were selected for investments totaling \$195 million over three years.

Community-Based Job Training Grants

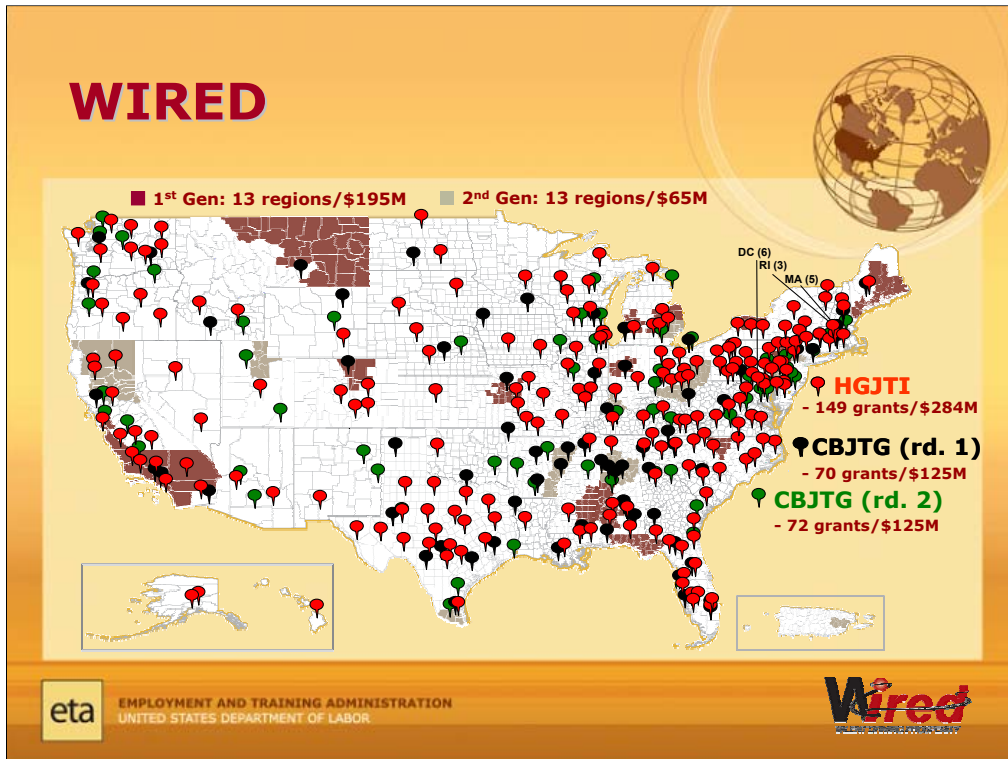


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Slide 11 -- Community-Based Job Training Grants Round 2

In December, we awarded Community-Based Job Training Grants to 72 community colleges and other entities (3 One-Stops) in 34 states.



Slide 12 – WIRED – Second Generation

Just last month, we made a second investment of \$65 million into an additional 13 regions around the country.

Reintegration of Ex-Offenders



- Combines the President's Prisoner Re-entry Initiative and the Responsible Re-Integration of Youthful Offenders into a single program
- Incorporates lessons learned, including:
 - An employment-centered focus
 - Better connections with faith-based and community organizations as well as businesses
 - Access to education, credentialing, and apprenticeship programs
- \$39.6 million requested



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Slide 13 – Reintegration of Ex-Offenders

In this budget we are requesting \$39.6 million for the Reintegration of Ex-Offenders which combines the President's Prisoner Re-entry Initiative and the Responsible Reintegration of Youthful Offenders into a single program.

Unemployment Insurance



Continue integrity efforts to reduce fraud:

- Allowing states to use recovered funds for additional integrity efforts
- Requiring states to impose at least a 15% penalty on individuals defrauding the UI system
- Authorizing the U.S. Treasury to recover UI overpayments and certain delinquent UI taxes from Federal income tax refunds
- Requiring employers to include a "start work" date on new hire reports

• \$2.28 billion estimated savings over 5 years

• \$40 million requested for Re-employment and Eligibility Assessments

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Slide 14 – Unemployment Insurance

This Budget also expands our efforts to reduce overpayments in the UI system and enhance opportunities for reemployment for unemployed workers.

Permanent Foreign Labor Certification



- User fee proposed:
 - To fully offset processing costs
 - To avoid future backlogs
- Goal: To eliminate the backlog by September 30, 2007
- In March 2005: backlog of 362,000 applications
- As of January 2007: reduced 67%

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Slide 15 – Permanent Foreign Labor Certification

The Permanent Foreign Labor Certification, or PERM, program continues to experience improved efficiencies in the processing of applications. However, because of the labor intensive nature of reviews, funding needs vary as application numbers change. The FY 2008 Budget proposes legislation to authorize a cost-based user fee on new applications for the PERM program. This will enable DOL to process applications in a timely manner.

The Road Ahead...



- WIA Reauthorization
- Trade Adjustment Assistance (TAA) Reauthorization
- Continued investments in:
 - High Growth Job Training Initiative
 - Community-Based Job Training Grants
 - WIRED

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Slide 16 – The Road Ahead . . .

See Slide