


Employment and Training Administration (ETA)

Fiscal Year 2005
Budget Briefing

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The President's Community-Based Job Training Grants

Background

The President wants to strengthen the role of community colleges in promoting the U.S. workforce's full potential. In his FY 2005 Budget, he proposes Community-Based Job Training Grants, a new, employer-focused competitive grant program for training in community and technical colleges. It builds on the High-Growth Job Training Initiative, a successful effort involving the building of community colleges' capacity as a workforce development partner.

Businesses in high-growth industries face increased difficulty in finding workers with the skills they need as a result of globalization, the aging of America's workforce, and the fact that technology and innovation are continuously changing the nature of work. As a result, community colleges will be increasingly critical providers for workers needing to retool, refine, and broaden their skills. Partnerships among industry, community colleges and the public workforce system will be a critical economic development tool in every labor market.

To implement this new initiative, the U.S. Department of Labor's Employment and Training Administration (ETA) will conduct a competitive Solicitation for Grant Applications (SGA). Besides one or more community colleges, eligible applicants must be involved in a partnership that includes a business or industry and a workforce investment board. A majority of the funds will be targeted for training workers for jobs in locally identified high-growth/high-demand industries. The remaining funds will be awarded to build the capacity of community colleges by developing curricula with the help of industry obtaining qualified faculty ensuring community colleges can provide industry-required clinical experiences utilizing up-to-date equipment.

Eligibility

Applicants must demonstrate the following to be competitive:

- Existing partnerships among business/industry, the Workforce Investment Board, and the community college(s) and a framework for working collaboratively;
- A comprehensive economic analysis of the local labor market to 1) identify high-growth/high-demand industries, and 2) identify the workforce issues faced by those industries to include a shortage of qualified workers and/or a specific capacity issue facing community colleges in training sufficient numbers of workers with industry-defined competencies;



- For training grants: 1) the availability of industry-defined skills on which the training will be based, and 2) a commitment by businesses to hire and/or retain individuals receiving the training;
- Clearly articulated performance outcomes that include 1) the number of people to be trained and placed in employment, and 2) the products or outcomes to be achieved by community college capacity building activities;
- The ability to leverage multiple sources of funding, including funds of the participating partners;
- A commitment to make any newly developed products available for distribution nationally.

Partnerships that focus on training dislocated workers from declining industries for jobs in high-growth/high-demand industries will be given additional consideration.

Workforce investment boards will work through their partnerships and One-Stop Career Centers to identify individuals for training and placement in high-growth/high-demand industries.

The President's High-Growth Job Training Initiative

The President's High-Growth Job Training Initiative, as implemented by the U.S. Department of Labor's Employment and Training Administration, is designed to provide national leadership for a demand-driven workforce system that ensures no worker is left behind. It is a strategic effort to prepare workers to take advantage of new and increasing job opportunities in high-growth/high-demand and economically vital industries and sectors of the American economy. The initiative is designed to ensure that worker training and career development resources in the public workforce system are targeted to helping workers gain the skills and competencies they need to obtain jobs and build successful careers in these industries.

The foundation of this initiative is partnerships that include the public workforce system, business and industry, education and training providers, and economic development agencies working collaboratively to develop solutions to the workforce challenges facing high-growth industries and to develop maximum access for American workers to gain the competencies they need to get good jobs in these industries.

- Industry representatives define the workforce challenges, e.g., getting career and skill information to young people charting their education and career courses; accessing new labor pools; defining core competencies for success on the job; training workers; and building the capacity of educational institutions to train workers.
- Community colleges and other education and training providers assist in developing competency models and curricula to build core competencies and train workers.
- The public workforce system accesses human capital (youth, unemployed and dislocated workers) and places trained workers in jobs.

To model this approach, the High-Growth Job Training Initiative has initially identified twelve sectors at the national level that: (1) are projected to add substantial numbers of new jobs to the economy; or (2) have a significant impact on the economy overall; or (3) impact the growth of other industries; or (4) are being transformed by technology and innovation requiring new skills sets for workers; or (5) are new and emerging businesses that are projected to grow:

- Health Care
- Information Technology
- Biotechnology
- Geospatial Technology
- Automotive
- Retail
- Advanced Manufacturing
- Construction
- Transportation
- Hospitality
- Financial Services
- Energy



The High-Growth Job Training Initiative is investing in national models and demonstrations of workforce solutions in these sectors designed to achieve the following outcomes:

- Targeted investment of workforce development resources and support for private and public sector partnerships to ensure the development of workers' skills in high-demand occupations based on industry need.
- Increased integration of community and technical college efforts with business and the public workforce system activities to meet the skills training needs of high-growth industries.
- Increased opportunities for employers to use apprenticeship training as a skills development methodology, combining on-the-job training and academics to ensure a pipeline of skilled workers.
- Providing workers with paths to career-enhancing opportunities in high-growth occupations.

By expanding the local workforce system's capacity to be market-driven, responsive to local economic needs, and a contributor to the economic well-being of the community, the Employment and Training Administration is promoting workforce quality, enhanced productivity, and economic competitiveness.

Promoting full potential means preparing the U.S. workforce of today for the job possibilities of tomorrow. Families, schools, universities, and businesses do most of the work of getting people ready. Yet training programs funded by all levels of government can provide a critical link to employers looking for job seekers willing to enhance their skills to meet the challenges of the 21st century.

The President's High-Growth Job Training Initiative has identified 12 industries forecast for high growth, yet expecting to need employees with specialized skills and training. The initiative helps employers share their expertise and employment needs with workforce professionals. Just a few high-growth industries are profiled below; a few other high-growth industries may only be an idea away from reality.

Health Care

- The health services sector is projected to grow at a rate of 25 percent between 2000 and 2010, adding 2.8 million new jobs.ⁱ
- Jobs were created in three key sectors of the health care industry between August 2002 and August 2003. Total employment increased by 145,800 jobs in ambulatory health care services, by 73,500 jobs in hospitals, and by 43,500 jobs in nursing and residential care facilities.ⁱⁱ
- Between 2000 and 2010, demand for qualified employees is projected to grow substantially in a range of health care occupations that pay well but don't require advanced medical training, including:ⁱⁱⁱ
 - Physician assistants: 57 percent employment growth. In 2002, the average U.S. physician assistant earned \$63,490.
 - Diagnostic medical sonographers: 26 percent employment growth. Better known as the persons who perform ultrasounds or MRIs, annual earnings for these individuals often exceed the 2002 national average of \$36,764.
 - Registered nurses: 25 percent employment growth. Registered nurses, on average, earned just under \$50,000 in 2002.

Biotechnology

- Revenue earned in the biotechnology industry has more than tripled since 1992, to \$27.6 billion in 2001.^{iv}



- The biotechnology industry, comprised of elements of many other industries such as drug manufacturing, agricultural services and health services, is projected to add more than 3 million new jobs between 2000 and 2010.^v
- The key biotechnology occupations of biological technicians and medical scientists will grow by 26 percent between 2000 and 2010, and biological scientists are projected to grow by 21 percent.^{vi} Annual salaries for biological technicians, who must earn an associate degree, run typically in the mid-\$30s.

Geospatial Technology

- Estimates project that there will be approximately a 15 percent increase in geographical information systems (GIS) jobs per year, which could translate into as many as 75,000 new hires per year.
- Employment areas range from using remote sensing equipment to environmental management, urban planning, emergency management, site selection, transportation and utilities planning.^{vii} Geospatial products and specialists also are expected to play a large role in homeland security activities.

Information Technology (IT)

- There are roughly 10.3 million IT jobs in the U.S. with about 20 percent specifically in the programming/software engineering and 18 percent in technical support.^{viii}
- 92 percent of all IT workers are in non-information technology companies including companies engaged in health care services, real estate, insurance, and financial services; 80 percent of them are in small companies outside the IT industry.^{ix}
- Projected growth of the IT workforce between 2000 and 2010 totals 2.5 million new jobs, including 2.2 million new positions and 331,000 workers replacing retirees and others leaving the field.^x
- A number of IT occupations expect significant projected employment growth between 2000 and 2010. For example, two types of computer software engineers, network administrators and database administrators, all have projected employment growth of at least 65 percent. All require at least a bachelor's degree; each offers annual earnings well above the national average.^{xi} In 2002, typical software engineer salaries hovered around \$75,000 a year, while the average salary for network or database administrators was just below \$60,000.

- The computer and data processing services sector is projected to be the fastest growing area of the economy, with employment increasing by 1.8 million jobs between 2000 and 2010. ^{xii} Employment in the telecommunications industry is expected to increase by 12 percent between 2000 and 2010. ^{xiii}

Advanced Manufacturing

- Manufacturing employment is projected to increase to 19.1 million jobs in 2010, up from 18.5 million in 2000. The majority of the growth will occur in durable goods manufacturing, which is projected to gain 642,000 jobs between 2000 and 2010. Durable goods include electronic components, computers, motor vehicles, and communications equipment. ^{xiv}
- An August 2003 National Association of Manufacturers workforce survey of U.S. manufacturing employers reported that 80 percent of respondents said that they had a serious problem finding qualified candidates for the highly technical world of modern manufacturing. ^{xv}
- Manufacturing salaries and benefits average \$54,000, approaching \$20,000 higher than the average for the entire private sector.

ⁱ BLS, Occupational Outlook Handbook, 2002-03. www.bls.gov/oco/cg/cgs035.htm

ⁱⁱ BLS - The Employment Situation: August 2003. [ftp://ftp.bls.gov/pub/news.release/History/empstat.09052003.news](http://ftp.bls.gov/pub/news.release/History/empstat.09052003.news)

ⁱⁱⁱ Ibid

^{iv} Biotechnology Industry Organization

^v BLS, Jay Berman, Monthly Labor Review, "Industry Output and Employment Projections to 2010," November 2001, pp. 39 -56. Biotechnology is not a distinct industry tracked by BLS. Select occupations of drug manufacturing, agricultural services, and health services, all of which are involved with biotechnology, are projected to add more than 3 million new jobs between 2000 and 2010.

^{vi} BLS, Occupational Outlook Handbook, www.bls.gov/emp/home.htm#data, Occupation search for "biological".

^{vii} ESRI

^{viii} Information Technology Association of America (ITAA), 2003 Workforce Survey, May 2003, pp.4-5. www.itaa.org/workforce/studies/03execsumm.pdf.

^{ix} ITAA Workforce Survey.

^x U.S. Department of Commerce, Office of Technology Policy Analysis of U.S. Department of Labor, Bureau of Labor Statistics Occupational Employment Projections, 2000-2010. "Education and Training for the Information Technology Workforce" Report to Congress from the Secretary of Commerce, U.S. Department of Commerce: June 2003, p.18.

^{xi} BLS, Career Guide to Industries, 2002-2003, www.bls.gov/oco/cg/cgs033.htm

^{xii} BLS, Career Guide to Industries, 2002-2003, www.bls.gov/oco/cg/cgs033.htm

^{xiii} BLS, Career Guide to Industries, 2002-2003, www.bls.gov/oco/cg/cgs020.htm

^{xiv} U.S. Bureau of Labor Statistics, Jay Berman, "Industry output and employment projections to 2010," Monthly Labor Review, November 2001, p. 54.

^{xv} Phyllis Eisen. "Today's Manufacturing Layoffs Mask a Looming Shortage of Skilled Workers in the U.S.," August 5, 2003. www.nam.org/secondary.asp?TrackID=&CategoryID=107

Personal Reemployment Accounts



The FY 2005 Budget requests \$50 million to fund a Personal Reemployment Accounts pilot project which would distribute up to \$3,000 to selected unemployment insurance claimants who are most likely to exhaust their benefits or have already exhausted those benefits. The project would demonstrate the value of providing flexible, self-managed financial assistance for unemployed workers attempting to return to the workforce as quickly as possible.

Based on prior research as well as experience with the use of Individual Training Accounts under the Workforce Investment Act, the pilot is expected to demonstrate several outcomes:

- An increase in the number of workers served;
- A reduction in amount and duration of unemployment insurance; and
- A faster return to the workforce.

These results will be accomplished through empowering individuals with the resources they need to secure employment and through incentives that promote finding and retaining a job.

Funds for the Personal Reemployment Accounts project, which supports the guiding principle that resources and decision-making should lie with the individual, will be awarded to states through a competitive grant process.

Launching the Personal Reemployment Accounts project as a pilot allows the system to demonstrate the value of the accounts based on outcomes achieved before deciding to take it to a larger scale. It also provides the flexibility to test varied designs and identify which models work best.

Helping Returning Inmates Find Work



President Bush's 2005 Budget combines the resources of faith-based and community organizations and federal assistance to reduce the costs of reincarceration.

- Studies show that approximately two-thirds of ex-offenders are rearrested within three years of release. More than 600,000 adult inmates will complete their sentences and be released this year.
- In his State of the Union Address, President Bush proposed a four-year, \$300-million initiative to reduce recidivism by helping inmates find work when they return to their communities.
- The Department of Labor (DOL) will be one of three federal agencies, along with Housing and Urban Development (HUD) and the Department of Justice (DOJ), that work with faith-based and community organizations (FBCOs) to provide job training, housing options, and transitional services to ex-offenders.
- For fiscal 2005, \$90 million has been proposed for DOL's portion of the initiative.
- The President's proposal expands on the Department of Labor's promising Ready4Work Project. Groups taking part in this pilot project have seen encouraging results. The Exodus Transitional Community in East Harlem, N.Y., for instance, served 213 ex-offenders in 2002, with just six returning to prison. In 2003, Exodus served 290, with only three participants returning to prison.





Background

A new temporary worker program proposed by the Administration would serve America's economy by matching willing workers with willing employers in a timely, efficient manner. To ensure that American workers come first, employers must make every reasonable effort to find an American to fill a job before extending job offers to foreign workers.

The temporary worker proposal includes the following features:

- A one-time registration fee;
- Availability to undocumented men and women currently employed in the U.S. and to new foreign workers;
- Legal status would last three years and be renewable once;
- Required return home for temporary workers at the end of their period of employment or the ability to apply for a green card through existing law;
- Economic incentives to return home; and
- Increased enforcement against companies that hire illegal workers.

The new immigration proposal would protect our borders through agreements with countries whose nationals participate in the program. During this time of heightened security, creating a legal temporary worker program for currently unknown foreign workers reduces national security vulnerability.

The proposed program will offer incentives for workers to return to their home countries at the conclusion of their employment period. The U.S. will work with other nations to allow foreign workers to receive credit in their countries' retirement systems for time worked in the U.S. and will support creation of tax-preferred savings accounts that can be collected upon return home.

The proposal also protects the rights of legal immigrants. A temporary worker will have no advantage over those who have followed the rules and will not receive amnesty, but lawful pursuit of green card status or citizenship will not be denied. In the future, only those outside the U.S. may join the temporary worker program.



SUTA Dumping

Unemployment tax law is structured so that employers with a stable workforce and few layoffs pay a relatively lower state unemployment tax rate. Employers with more layoffs pay state taxes at higher rates. State Unemployment Tax Act (SUTA) Dumping is an abusive practice used by some employers with a history of layoffs to qualify for a lower Unemployment Insurance (UI) tax rate. The practice takes advantage of long-standing provisions of state UI laws, under which employers buy or form new businesses, and then transfer their payrolls to these businesses to take advantage of their lower state tax rates.

The Employment and Training Administration (ETA) has taken the following steps to address SUTA Dumping:

- In December 2002, ETA alerted states to this practice and made recommendations, including calls for state legislation and penalties.
- In September 2003, Secretary of Labor Elaine L. Chao transmitted proposed legislation to the House of Representatives requiring states to pass legislation making SUTA Dumping illegal.
- Several states – Arkansas, Maine, North Carolina and Washington – have recently enacted SUTA Dumping legislation.
- In November 2003, a bipartisan bill based on the Secretary’s proposal was introduced in the House. It would require that states put a system in place to detect SUTA Dumping and penalize participants in such a scheme.
- ETA is working with North Carolina to detect SUTA Dumping through the development of software that would be easily modified for every state’s use.

Deterring Unemployment Insurance (UI) Waste, Fraud, and Abuse

The Department of Labor (DOL) has made reduction of UI overpayments a top priority over the past three years:

- In 2002, DOL adopted a new measure of states’ success in preventing or detecting UI overpayment and in 2003 set a goal for overpayment detection/prevention under the Government Performance and Results Act (GPRA).
- In November 2003, a legislative proposal was sent to Congress giving state UI agencies access to the National Directory of New Hires to expand the information available beyond an individual state’s borders.



- A Memorandum of Understanding is nearing completion between DOL and the Social Security Administration (SSA) that would give states on-line access to SSA data to verify claimant identity.
- ETA has provided funds to 23 states to establish cross matches with other state governmental agencies, such as state departments of motor vehicles, for identity verification.

Fiscal Year 2005 Budget Request Overview

President Bush's efforts to prepare Americans for the growing and changing economy were pushed forward with the 2004 State of the Union announcement of his Jobs for the 21st Century Initiative. This broad proposal builds on the successes of his High-Growth Job Training Initiative, a strategic approach that has furnished seed money for job training ventures between high-growth industries and community colleges. The new measure would add more than \$500 million for a series of objectives directed toward current and future workers eager to take ownership of their employment opportunities.

Two major parts of the initiative would run through the U.S. Department of Labor. The Community College Initiative sets aside \$250 million for businesses, community colleges and workforce professionals to form or build on partnerships to train people in high-growth industries either already or soon to demand qualified workers.

Another \$50 million has been proposed to give unemployed workers greater ownership and flexibility in their reemployment efforts through Personal Reemployment Accounts (PRAs). Funds of up to \$3,000 per worker would go to those most likely to exhaust, or who have already exhausted, their unemployment benefits. Job seekers, in turn, would use their PRAs for retraining, child care, transportation, and other expenses incurred during their search. Following reemployment, PRA funds left unspent or saved by job seekers would be theirs as a bonus.

Helping former inmates make a positive return to society takes shape in a four-year, \$300 million proposal that offers ex-offenders housing options, transitional services, and job training. Pilot program successes have had dramatic results in reducing recidivism. To build on those gains, a \$90 million request is made for the Department of Labor's return-to-work part of this initiative. The Departments of Housing and Urban Development and Justice also will be principal federal partners advancing this endeavor.

The President's decision to tackle issues raised by undocumented workers takes form in principles he laid out in early January 2004. His initiative on guest workers offers them incentives to come and go from the United States lawfully while ensuring that the rights of Americans looking for work and immigrants who entered the country legally are protected.

Overall, the President's Budget seeks \$11 billion for the Employment and Training Administration to strengthen his commitment to leaving no worker behind.

The Administration presses forward with work underway in a variety of areas. It urges Congress to finish its reauthorization of the Workforce Investment Act. Consolidating three funding streams into one will allow workforce professionals to serve more people minus the waste of duplicated efforts. Also, state One-Stop Career Centers will receive budgetary increases for conducting 50 percent more face-to-face reviews for unemployment insurance benefit eligibility.

Reducing backlogs in the foreign labor certification program will continue with the publication of a final rule that will detail a reengineered process for reviewing applications more quickly. In addition, a user fee is proposed for employers seeking to tap international labor markets.

Accelerated gains in uncovering overpaid unemployment benefits are expected to bear fruit as states and the Department of Labor take advantage of and seek out additional tools to prevent waste, fraud, and abuse. The Department also will pursue legislation introduced in the House in late 2003 to end "SUTA Dumping," an abusive practice in which employers with track records of layoffs find ways to avoid paying higher state unemployment taxes.

A numerical overview of these and other major ETA activities follows in the table below:

FY 2005 ETA BUDGET OVERVIEW		
(Dollars in 000's)		
	FY 2004	FY 2005
TRAINING AND EMPLOYMENT PROGRAMS	6,356,470	6,362,492
TRAINING AND EMPLOYMENT SERVICES	5,917,820	5,922,292
Consolidated Adults Grants	3,129,741	3,279,040
Youth Grants	995,059	1,000,965
Job Corps	1,537,075	1,557,287
National Programs	255,945	185,000
H-1B Rescission		(100,000)
COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS	438,650	440,200
STATE UI AND ES OPERATIONS	2,869,657	2,897,434
Unemployment Insurance	2,687,169	2,711,214
Employment Service / One-Stop	182,488	186,220
Workforce Information (One-Stop/ALMIS)	98,764	99,350
Work Incentives Grants	19,753	19,870
National Activities	63,971	67,000
PROGRAM ADMINISTRATION TOTAL	172,349	181,018
TOTAL MANDATORY	1,805,200	1,574,300
Federal Unemployment Benefits and Allowances	1,338,200	1,057,300
Advances	467,000	517,000
GRAND TOTAL ETA	11,203,676	11,015,244

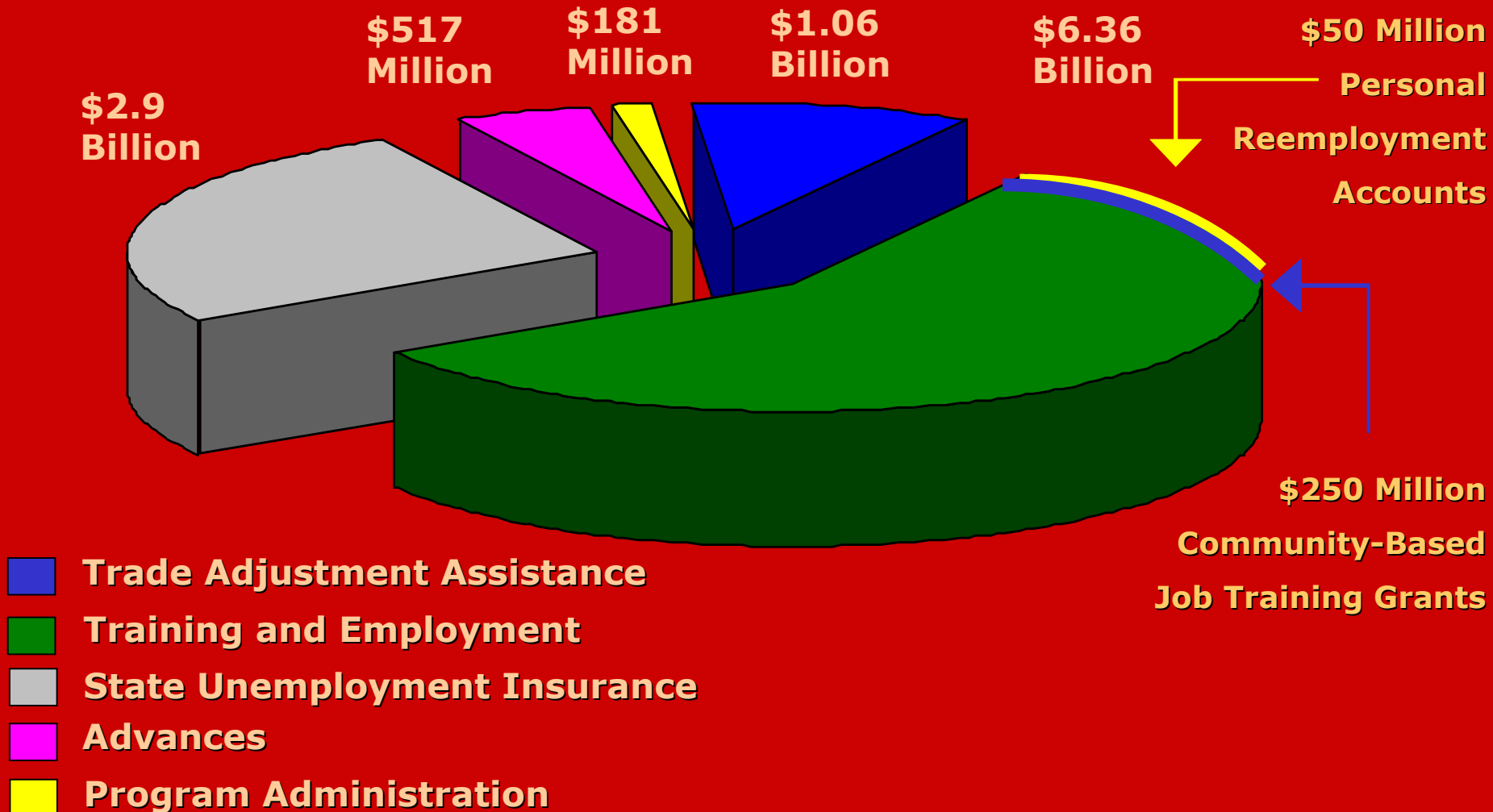
**U. S. DEPARTMENT OF LABOR
EMPLOYMENT AND TRAINING ADMINISTRATION
FY 2005 Congressional Justification
(Dollars in 000's)**

	FY 2004	FY 2005 Request
GRAND TOTAL, ETA	11,203,676	11,015,244
DISCRETIONARY PROGRAMS	9,398,476	9,440,944
MANDATORY PROGRAMS	1,805,200	1,574,300
TRAINING AND EMPLOYMENT PROGRAMS	6,356,470	6,362,492
TRAINING AND EMPLOYMENT SERVICES	5,917,820	5,922,292
TRAINING AND EMPLOYMENTS SERVICES (Discretionary)	5,917,820	5,922,292
TRAINING AND EMPLOYMENTS SERVICES (Mandatory)	0	0
Consolidated Adults Grants	3,129,741	3,279,040
Formula Grants	2,854,766	2,695,669
National Reserve	274,976	283,371
Community-Based Job Training Grants		250,000
Personal Reemployment Accounts		50,000
Youth Grants	995,059	1,000,965
Targeted State Formula Grants	746,294	750,724
National Challenge Grants	248,765	250,241
Job Corps	1,537,075	1,557,287
Operations	1,407,627	1,450,966
Construction	129,448	106,321
National Programs	255,945	185,000
Native Americans	54,676	55,000
Migrant and Seasonal Farmworkers	76,874	0
Technical Assistance	2,982	2,000
Incentive Grants	0	0
H-1B Fees (Mandatory)	0	
Pilots, Demos, & Research	57,751	30,000
Denali Commission	4,971	0
Prisoner Reentry Program	49,705	90,000
Evaluation	8,986	8,000
H-1B Rescission		(100,000)
COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS	438,650	440,200
National Contracts (estimated split)	341,992	343,200
State Grants (estimated split)	96,658	97,000
STATE UI AND ES OPERATIONS (Discretionary)	2,869,657	2,897,434
Unemployment Insurance	2,687,169	2,711,214
State Administration	2,608,653	2,700,714
National Activities	9,876	10,500
AWIU Contingency	68,640	0
Employment Service / One-Stop	182,488	186,220
Workforce Information (One-Stop/ALMIS)	98,764	99,350
Work Incentives Grants	19,753	19,870
National Activities	63,971	67,000
Foreign Labor Certification (appropriated funds)	40,553	46,000
TAT/SESA Retirement	3,536	3,000
WOTC	19,882	18,000
PROGRAM ADMINISTRATION TOTAL	172,349	181,018
Program Administration	172,349	181,018
Base FTE	1,214	1,250
Reimbursements/H-1B FTE	39	3
FTE Ceiling (Non-add)	1,253	1,253
TOTAL MANDATORY	1,805,200	1,574,300
Federal Unemployment Benefits and Allowance	1,338,200	1,057,300
TAA Benefits	1,062,000	750,000
TAA Training	259,200	259,300
NAFTA Benefits	7,000	0
NAFTA Training	0	0
Wage Insurance	10,000	48,000
Advances	467,000	517,000

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FY 2005 Budget Request

Total Request : \$11.0 Billion



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Consolidated Funding

(Dollars in 000's)

Current Services

Future Services

Adult
\$900,000



Dislocated Workers
\$1,383,040



Employment Services
\$696,000



State Grants



Flexibility in the President's 2005 Employment and Training Administration (ETA) Budget

New initiatives in the Employment and Training Administration's FY 2005 Budget and reforms in the reauthorization of the Workforce Investment Act (WIA) will provide additional flexibility to the state and local workforce investment system and the customers it serves.

Community-Based Job Training Grants

The President's FY 2005 Budget includes a new initiative for the workforce investment system to partner with community colleges to train workers for high-growth jobs. ETA's High-Growth Job Training Initiative is a strategic effort to improve the publicly funded workforce investment system's responsiveness to the needs of the labor market. By making the workforce system demand-driven, it will more flexibly and efficiently serve the workforce needs of business and also help workers find good jobs at good wages. The FY 2005 request includes \$250 million for partnering with community colleges and employers to train workers with skills needed in growth sectors of the economy.

Personal Reemployment Accounts

Personal Reemployment Accounts are a flexible new approach that gives unemployed workers more control over their access to training and services and help them return to work quickly. The President is requesting \$50 million for new competitive grants to states to offer these Personal Reemployment Accounts.

WIA Reauthorization

Many of the Administration's WIA reform proposals have been adopted in bills that are now in House-Senate Conference Committee. Specific changes that will increase flexibility include:

- Consolidating the Adult, Dislocated Worker, and Employment Service funding streams into a single, more flexible, comprehensive and effective program for adults.
- Enhancing state flexibility through expanded waiver authority.
- Allowing Governors and State Workforce Investment Boards to establish criteria and procedures relating to eligibility of service providers.
- Providing Governors greater flexibility in the statewide activities they undertake by making "required activities" discretionary.
- Broadening Individual Training Accounts to "Career Scholarship Accounts" that can be enhanced with other sources of funding.



- Including new authority for the workforce system to assist incumbent (employed) workers.
- Allowing WIA funds to be used for economic development, in certain situations.
- Providing authority to Governors to designate their states as a single state area.
- Giving faith-based service providers the right to take religion into account in hiring staff.

Accomplishments and Remaining Challenges



Accomplishments

- During the year ending on June 30, 2003, Employment and Training Administration (ETA) programs served over 21 million people, helping them find jobs, providing benefits when they were laid off, and delivering intensive workforce services and training needed to get and keep new or better jobs.
- 15,000 workers have been hired into jobs as a result of the Partnerships for Jobs forged by the Business Relations Group (BRG) between 19 national businesses and the public workforce system.
- The Health Coverage Tax Credit (HCTC) was implemented last year, in partnership with the Internal Revenue Service (IRS) and the Department of Health and Human Services, so that workers who lost their jobs as a result of trade could still have health insurance.
- New systems to detect and prevent overpayments in the Unemployment Insurance (UI) system helped states save \$55 million last year.
- The Career Voyages Web site was launched in collaboration with the Department of Education to bridge the gap between education and employment skills by helping young people learn about high-growth industries and the skills and education required for those new jobs.
- 359 employers were recruited to participate in the national apprenticeship system in new and emerging industries in fiscal 2003, and 133,909 individuals found employment through the registered apprenticeship system.
- More than 680 new apprenticeship programs have been registered since 2002 in new and emerging industries.
- The Disability Program Navigator was launched last year in a collaborative effort with the Social Security Administration (SSA) to help people with disabilities find and access the workforce services they need through the One-Stop Career Center system.

Remaining Challenges

- Completing conversion of the workforce investment system to a demand-driven environment focused on attracting businesses to help prepare workers for 21st century jobs.



- Accelerating reduction of erroneous payments of UI benefits.
- Providing targeted customers – farm workers, older workers, disabled workers, and Native Americans--with broad access to the full spectrum of services available through the One-Stop system.
- Ensuring that the Workforce Investment Act (WIA) system provides out-of-school youth with alternative educational services that lead to a high school diploma and meet the standards of the No Child Left Behind law.