

Federal Legislative Updates

Presented By: Chris Andresen

August 2023

MAWB Summer Conference



Debt Limit – Workforce Implications

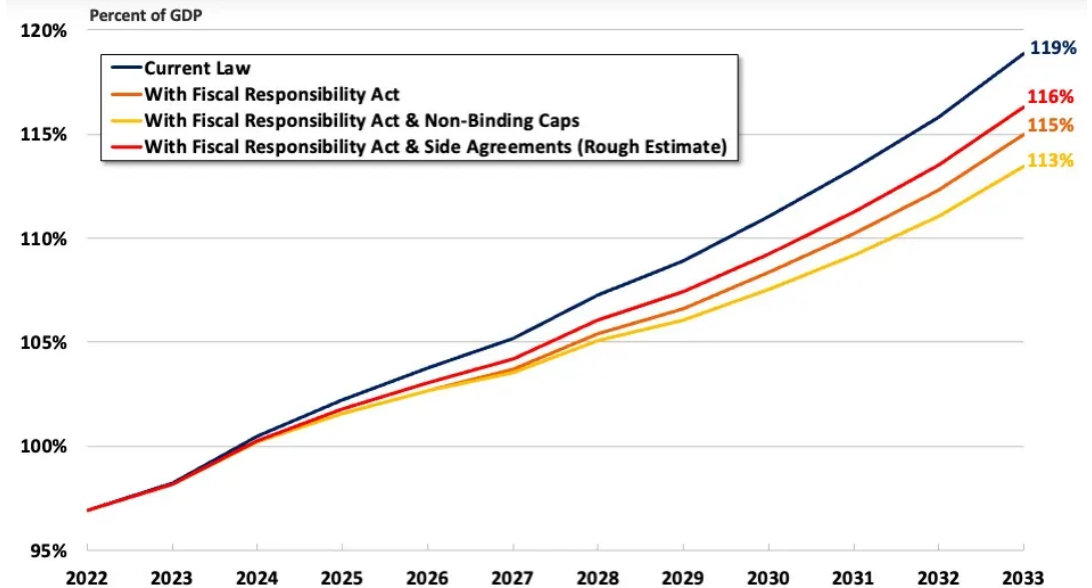
Debt Ceiling Raised

- Debt ceiling would be raised through December 2024 – importance of this timeline is that it extends beyond the 2024 election. As we know from previous debt limit debates, Treasury can use ‘extraordinary measures’ for a period of time, practically pushing this issue into 2025

Federal Spending Caps

- Federal spending/appropriations are ‘capped’ for the next two fiscal years, FY 2024 and FY2025. ***House Republicans decided to draft Appropriations bills far below these agreed upon spending caps***
 - **As the House Appropriations Committee releases its bills, their funding caps will be closer to FY2022 levels (~20% decrease from current spending levels**
- FY 2024 non-defense discretionary (topline for programs like WIOA, education, child care, etc) would essentially be held at current FY 2023 levels. FY 2025 would receive an overall 1% increase from FY2024 (~\$7 billion increase, year to year)
 - Over the next two fiscal years, \$10 billion (\$20 billion total) would be rescinded from the overall \$80+ billion for the IRS from the Inflation Reduction Act – those sums would then be used across other federal programs
 - IF a Continuing Resolution is in effect for all or part of federal agencies on January 1, 2024 and/or January 1, 2025, there would be a 1% sequestration cut to all programs
 - This 1% cut could/would be reduced if annual appropriations bills were enacted after January 1, 2024 or January 1, 2025
 - This puts an incentive behind the appropriations bills and getting spending deals done

Fiscal Responsibility Act Would Slow Debt Growth



SNAP/TANF Work Requirement Provisions

TANF

- The debt limit legislation also updates the Caseload Reduction Credit for TANF – which will make it more difficult for states to avoid the work requirement (effective October 1, 2025)
 - Creates a Pilot Program (effective October 1, 2024) for up to 5 states to negotiate work outcomes – 6-year pilots (1 year to benchmark data, reporting for 5 years)
 - For Fiscal Year 2025 and beyond, there will be a work outcome reporting necessary for TANF –
 - Percentage of work eligible individuals in unsubsidized employment 2nd quarter after exit
 - Percentage of work eligible individuals in unsubsidized employment 2nd quarter after exit ALSO in unsubsidized employment 4th quarter after exit
 - Median earnings for work eligible individuals at time of exit in unsubsidized employment 2nd quarter after exit
 - Individuals under 24 years of age in high school or GED program, attain credential within one year after exit

SNAP

- Increases the maximum age for work requirement from 49 to 50 in FY2023, 52 in FY24, and 54 and FY25 – these provisions sunset in September 2030 and the maximum age goes back to 49
- The agreement would lower the number of exemptions that a state can issue and curb states' ability to carry over the number of exemptions they can use from month to month
- There would also be new expanded SNAP benefits for veterans, homeless people and young people aging out of foster care – provisions also sunset in September 2030

Appropriations Is/Will Be a Mess!

- Speaker McCarthy had to work to appease conservative members of his conference upset with how the Debt Limit deal played out
- That conversation/deal included a pledge to significantly reduce federal spending in Fiscal Year 2024 House Appropriations Bills
- While practical effect on workforce isn't known yet, we need to brace for greater than superficial federal spending cuts
- House Republicans have proposed to cut \$60 billion from the overall Labor, HHS, Education Spending Bill allocation – a 30% cut from FY2023 levels
- While these spending levels are unlikely to ever become law, it sets up a complicated endgame for federal spending

The Federal Budgeting and Appropriations Process



FY24 *Proposed* House Cuts in Print

Programs	FY23 Omnibus - Labor, HHS, Education	FY24 House Labor, HHS, Education	Percentage Change Year to Year
Workforce Innovation and Opportunity Act Title I – State Formula Grants	\$2,929,332,000	\$1,807,553,000	-62%
WIOA Adult	\$885,649,000	\$712,000,000	-24%
WIOA Dislocated Worker	\$1,095,553,000	\$1,095,553,000	0%
WIOA Youth	\$948,130,000	\$0	(\$948,130,000)
Wagner-Peyser/Employment Service Grants	\$705,052,000	\$658,639,000	-7%
Workforce Data Quality Initiative Grants	\$6,000,000	\$6,000,000	0%
Apprenticeship Grants	\$285,000,000	\$285,000,000	0%
DW National Reserve	\$325,859,000	\$360,859,000	10%
Native American Programs	\$63,800,000	\$60,000,000	-6%
Ex-Offender Activities	\$115,000,000	\$115,000,000	0%
Migrant and Seasonal Farmworkers	\$97,396,000	\$97,396,000	0%
YouthBuild	\$105,000,000	\$105,000,000	0%
Senior Community Service Employment Program	\$405,000,000	\$0	(\$405,000,000)
Trade Adjustment Assistance	\$494,400,000	\$30,700,000	-1510%
Career and Technical Education State Grants	\$1,429,848,000	Not available yet	
Adult Education State Grants and National Leadership Activities	\$729,167,000	Not available yet	
Combined CTE and Adult Ed	\$2,191,436,000	\$2,191,436,000	0%
Vocational Rehabilitation	\$3,949,707,000	\$4,253,834,000	7%
SECTOR Program	\$0	\$0	
Civilian Climate Corp	\$0	\$0	
Strengthen Community College Grant Program	\$65,000,000	\$65,000,000	

Legislative Action on WIOA and Apprenticeships



- House Education and Workforce Committee and Senate HELP Committee are currently taking two different approaches to workforce legislation
- Expecting a House WIOA Reauthorization draft this summer/fall
 - Less a tear down of WIOA, more streamlining of programs and targeting federal investments to 'skill development'
- Senate HELP Committee is focused on National Apprenticeship Act Reauthorization with focus on sector partnerships

Workforce Hubs

- The Biden Administration continues its agency-wide focus on workforce development as it focuses on implementation of the Bipartisan Infrastructure Law and CHIPS Act
- Administration has identified 5 'Workforce Hubs' – Baltimore, MD, Columbus, OH, Pittsburgh, PA, Phoenix, AZ, and Augusta, GA
 - Admin is assisting local and community leaders in these cities on infrastructure, advanced manufacturing, semiconductors to advance place-based workforce development
- Combined with other efforts around Good Jobs, Great Cities Academy and Workforce 'Sprint' on advanced manufacturing

