



## Job Training: Addendum 3

### AFL-CIO 2008 Transition Project

### Recommendations for the Obama Administration

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#### Items for 2008-09 Economic Recovery Package

Following is a partial list of programs recommended for inclusion in the Economic Recovery Package being formulated in December 2008-January 2009. Additional recommendations will be forthcoming.

- **Reemployment Grants through Wagner-Peyser (\$250 million):** The cornerstone of the nation's publicly accountable labor exchange infrastructure is the Wagner-Peyser system, a federally funded, state-operated system that provides labor exchange and reemployment services to workers and employers. For workers, Wagner Peyser services include job search and placement assistance, skill assessment, counseling, testing, and labor market information. More specialized service include rapid response for workers who have been dislocated from plant closings, case management and job referrals for persons who are eligible for TAA, and specialized veterans employment services. The publicly operated statewide labor exchange system has been weakened by decades of neglect and under-funding. The demand for these services will increase because of rising unemployment, plant closings, the return of veterans from overseas tours of duty, and other factors related to the economic crisis. These additional funds will enable the State Employment Services to help meet essential needs.
- **UI Modernization:** The Unemployment Insurance Modernization Act (UIMA)-S. 1871, H.R. 2233. The UIMA makes up to \$7 billion available from the federal UI trust funds to encourage states to expand their UI eligibility and correct shortcomings in their UI programs. UIMA does not require states to do anything. States qualify for one-third of available funding if they use an "alternative base period" to determine UI eligibility – a reform that disproportionately benefits low-income workers. States qualify for the remaining two-thirds share of available funding if they implement two out of five other UI reforms. Two of these reforms would expand UI eligibility to part-time workers and individuals who leave work for compelling family reasons, such as domestic violence, and UIMA is strongly supported by over 60 organizations promoting fairness for women. If every state enacted these reforms, a projected **500,000 additional jobless workers** would be eligible for benefits, which would have a stimulative effect on the economy. UIMA also provides all states with \$500 million to cover the administrative costs associated with rising UI workloads. The cost of the UIMA is fully offset by continuation of the UI payroll surtax which has been in effect since 1979, and whose extension is supported by the Bush administration.



- **Dislocated Worker Funding through WIA (\$500 million):** Each year, through appropriations authorized by the Workforce Investment Act (WIA), states and localities receive funds to provide services to dislocated workers, persons who have been displaced due to plant closings or mass layoffs. The Bureau of Labor Statistics Current Population Survey indicates that 2.5 million more American workers are unemployed today than at the beginning of this year. Along with those unemployed, 6.7 million workers can only find part time work when they would prefer to be employed full time, an increase of 2.3 million over the past year. In addition, the latest economic forecasts project unemployment will substantially worsen during the current recession. Despite this rising unemployment, funds for dislocated workers have been cut every year since 2001. This additional amount for grants to the States for dislocated worker employment and training activities will enable States and One-Stop Centers to provide a variety of services to eligible unemployed persons, helping them move into available jobs. These funds will provide assistance to approximately 135,000 workers.
- **Disadvantaged Youth Funding through WIA (\$500 million):** Each year, through appropriations authorized by WIA, states and localities receive funds to provide services to youth, persons 14-21 years of age who are low-income and have other barriers to employment. The Center for Labor Market Studies at Northeastern University has found that the unemployment situation for young people is dire. The youth employment rate this past summer was the lowest in over sixty years, and only 32.7 percent of teens were able to obtain a summer job. The employment rate for teens was nearly one-third below employment rates in 1989, the largest decline for any demographic group in the post World War II era. If we do not address this problem, it appears inevitable that a smaller share of youth will work next summer than in any summer in modern American history. These funds will provide assistance to approximately 136,000 young people in communities across the nation.
- **Low Income Adults Funding through WIA (\$250 million):** Each year, through appropriations authorized by WIA, states and localities receive funds to provide services to eligible adults, 18 years of age or older. Our nation's workforce training programs are often the last resort for low-income and disadvantaged adults who have been neglected by their employers and the underfunded student financial aid system. The number of disadvantaged adults who have been unemployed over an extended period will increase because of the economic crisis. Federal funding for low-income adults has declined every year since 2001. These funds will provide assistance to approximately 87,000 workers.