



## The President's FY 2009 Budget

President Bush seeks \$8.87 billion for the Employment and Training Administration (ETA) in FY 2009. The request is a reflection of his continuing effort to educate and prepare Americans for the jobs of the 21<sup>st</sup> century and his commitment to ensuring that the nation remains competitive in the global economy.

## Transformation of the Global Economy

The United States competes in an ever expanding global economy that is dramatically different from the past. The needs of the 21<sup>st</sup> century labor market are unlike what we have known and for what many American workers are currently trained. American workers will need higher levels of education and skills than at any time in our history. Nearly two-thirds of the jobs that will be created over the next decade will require some post-secondary education and training, such as a vocational certificate or an associate's or higher degree—a dramatic increase in the overall education level required of the U.S. population. Young people must stay in high school and have avenues to access postsecondary education, and our current workers must find ways to improve their skill sets.

As our nation continues to face economic transformation due to technology and globalization, our existing workforce investment system must adapt to these changes. ETA is developing and increasing ways for more workers to access training to improve their skills. Aligning the workforce investment system with the new economic realities facing the United States is among the critical factors in ensuring that American workers and businesses are competitive in the global marketplace.

## The Evolution of Talent Development

Over the past six years, ETA has strived to transform the workforce investment system into a demand-driven system. Therefore, ETA has tried to ensure that the private sector is a true partner in workforce development and that education and training programs are responsive to the workforce needs of employers. A demand-driven workforce system plays a catalytic role, facilitating and leveraging all available resources to respond to local businesses' need for skilled workers.

ETA has taken steps to begin this transformation through the creation of a demand-driven workforce investment system that helps job seekers achieve self-sufficiency and promotes business prosperity. First, ETA implemented the President's High Growth Job Training Initiative. This successful initiative prepares workers to take advantage of new job opportunities in growing industries and sectors of the American economy. This strategic approach is based on partnerships that include the workforce investment system, business and industry, education and training providers, and economic development entities.

Second, the President's Community-Based Job Training Grants have been made competitively available for building the teaching resources and increasing training activities



at community and technical colleges. These grants build on the High Growth Job Training Initiative and strengthen the role of community and technical colleges as training providers for the labor force. The FY 2009 Budget request includes \$125 million for Community-Based Job Training Grants.

Finally, building on these two efforts, ETA has used H-1B fee revenue and taken the demand-driven vision to the next level by emphasizing the critical links among workforce development, economic development, and education in regional economies through the Workforce Innovation in Regional Economic Development (WIRED) Initiative. Launched in February 2006, WIRED focuses on the role of talent development in driving regional economic competitiveness, job growth, and new opportunities for American workers. The goal of WIRED is to expand employment and advancement opportunities for American workers and to catalyze the creation of high-skill and high-wage jobs in regional economies. Through WIRED, ETA is currently providing 39 regions across the country with funding and assistance to implement strategies that will drive the transformation of their regional economies, as well as the workforce development, economic development and education systems that support the economy, so that they can better compete in the global marketplace.

### Workforce Investment System Reform

It is imperative that Federal workforce programs effectively help American workers obtain the skills and education they need to pursue good careers and achieve financial stability for themselves and their families in the 21<sup>st</sup> century economy. To achieve this goal, in April 2007, the Administration transmitted to the Congress the “Workforce Investment Act Amendments of 2007” to reauthorize the Workforce Investment Act of 1998 (WIA) and reform the public workforce investment system.

The FY 2009 Budget again proposes significant changes to the workforce investment system based on this proposal. Specifically, the proposed reforms would maintain the existing nationwide system of One-Stop Career Centers, but reduce duplication and increase efficiency by consolidating several employment and training programs into a single funding stream to states to provide Career Advancement Accounts (CAAs) and employment services for job seekers and employers. In addition, under this proposal:

- Education and training opportunities would be further increased by simplifying complex eligibility requirements and increasing the proportion of WIA funds devoted to education and training activities.
- States and local areas would be given more flexibility to design systems that align with economic development strategies and respond to the unique workforce needs and challenges of their regional economies.



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- The One-Stop system would be strengthened by financing the operational costs of One-Stop Career Centers through dedicated infrastructure funding and streamlining the membership requirements for state and local Workforce Investment Boards.

Finally, under a new feature in the proposal, states would further invest in training with a 20 percent match of Federal funds used for CAAs.

The “Workforce Investment Act Amendments of 2007” is designed to move the entire public workforce investment system in a direction that supports and advances our nation’s competitiveness. At a time when training and skill development is of utmost importance to workers and the economy, the President’s reforms will strengthen the workforce system and greatly increase the number of workers trained.

### Restructuring and Reform of Other ETA Programs

In addition to the changes proposed for the workforce investment system, other ETA programs are in need of restructuring and reform so that they better meet the demands of the 21<sup>st</sup> century economy:

- Trade Adjustment Assistance. The Trade Adjustment Assistance (TAA) program has the potential to bolster our overall competitiveness while serving the needs of workers, but it must be re-examined in light of our regional labor markets and the new challenges of the 21<sup>st</sup> century global economy. The reauthorization of TAA offers an opportunity to increase the flexibility and effectiveness of the program by streamlining it and equipping trade-affected workers with the skills and specialized knowledge that are most in-demand by employers. A reformed TAA program should include increased individual choice to “earn and learn”; improved access to education and training; access to education and training prior to layoff; and access to services through a streamlined and efficient workforce investment system.
- Foreign Labor Certification. The timely processing of applications for certification under employment-based immigration programs is important to our nation’s competitiveness. The FY 2009 Budget proposes authorization of three cost-based fees to ensure adequate resources are available to meet current and future increases in workloads in the H-2A Temporary Agricultural Program, the H-2B Temporary Labor Certification Program, and the Permanent Labor Certification Program. These fee proposals will ensure the timely processing of foreign labor applications and contribute to a more efficient national immigration system.
- Unemployment Insurance. ETA is working with the states to strengthen the Unemployment Insurance (UI) system’s integrity and promote the re-employment of UI beneficiaries. The FY 2009 Budget request includes a legislative proposal to prevent, identify, and collect UI overpayments and delinquent employer taxes. In addition, the FY 2009 Budget requests \$40 million to expand Re-employment and Eligibility Assessments to promote quicker returns to work for UI beneficiaries and reduce improper payments. Also, ETA is proposing legislation that will permit waivers of

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certain Federal requirements to allow states to experiment with innovative projects aimed at improving administration of the UI program, including speeding the re-employment of UI beneficiaries.

- Job Corps. The FY 2006 Appropriations Act for the Department of Labor transferred responsibility for administering the Job Corps program from ETA to the Office of the Secretary of Labor. The President's FY 2009 Budget proposes that ETA again be made responsible for administering the program. Returning Job Corps to ETA will promote the program's integration into the overall workforce investment system, locate it in the agency that has principal expertise on workforce development issues and administers other job training and employment programs, and connect at-risk youth to employment and apprenticeship programs.



# FY 2009 ETA Congressional Justification



(Dollars in Thousands)

	<b>FY 2009 Request</b>
<b>TOTAL BUDGET AUTHORITY</b>	<b>\$8,867,347</b>
<b>TRAINING AND EMPLOYMENT SERVICES</b>	<b>3,110,600</b>
Career Advancement Accounts	2,826,000
WIA Competitive Grants	164,600
Reintegration of Ex-Offenders	39,600
Community-Based Job Training Grants	125,000
WIA National Activities	25,000
Pilots, Demonstrations and Research	16,000
Evaluation	9,000
Indian and Native American Programs	45,000
YouthBuild	50,000
<b>FOREIGN LABOR CERTIFICATION</b>	<b>77,970</b>
Program Administration	59,497
State Grants	18,473
<b>COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS</b>	<b>350,000</b>
<b>STATE UI AND ES OPERATIONS</b>	<b>2,655,267</b>
Unemployment Insurance	2,636,038
State Administration	2,623,145
National Activities	12,893
Employment Service	2,349
TAT/SWA Retirement	2,349
Workforce Information/National Electronic Tools/System Building	16,880
<b>PROGRAM ADMINISTRATION</b>	<b>144,011</b>
<b>FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES</b>	<b>964,800</b>
Trade Adjustment	964,800
TAA Benefits	660,000
TAA Training	259,800
Wage Insurance	45,000
<b>JOB CORPS</b>	<b>1,564,699</b>
Operations	1,425,325
Construction and Renovation	110,000
Program Administration	29,374
<b>ADVANCES TO UNEMPLOYMENT TRUST FUND [NON ADD]</b>	<b>2,710,000</b>



**EMPLOYMENT AND TRAINING ADMINISTRATION**  
UNITED STATES DEPARTMENT OF LABOR