



MWCA Update

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February 21, 2011

FEDERAL FUNDING UPDATE

What happened?

As you are likely aware, the US House of Representatives passed, on Saturday, the Continuing Resolution which drastically affects many domestic programs, including the Workforce Investment Act. The Minnesota Delegation broke along party lines, with Republicans voting for the bill and Democrats voting against (Representative McCollum did not vote on the bill).

Wait, back up just one moment– what exactly is a Continuing Resolution?

Rather than passing a budget for FY11 earlier this year, the House and Senate passed a temporary Continuing Resolution; meaning almost the entire federal government has been working at the same level of funding provided under the FY10 budget. The current FY11 CR expires on March 4, which is why the House took action last week.

How does this bill affect WIA funding?

- H.R. 1 would eliminate all new funding for WIA Adult, Youth and Dislocated Workers formula grants in program year 2011 (July 1, 2011 to June 30, 2012).
- H.R. 1 would eliminate funding states normally receive on July 1 (the beginning of the new Program Year) and eliminate the "Advance Appropriation" states normally receive on October 1 (the beginning of the 2012 Fiscal Year).
- H.R. 1 would rescind \$100 million in unobligated balances from the Dislocated Workers Assistance National Reserve for 2010 and rescind \$65 million from Dislocated Workers Assistance State Grants (\$10 million would be rescinded for evaluation).

What Happens Next?

The U.S. Senate will now have to take action. House and Senate both recess on February 19 and return on February 28. This means that the Senate then has less than 5 days to act on the CR and reach a compromise with House on FY11 CR (by March 4).

The Senate will likely consider the bill the week of February 28. It is unknown if the Senate will finish the bill before the March 4 when the current funding bill expires. If they don't, another short-term continuing resolution will have to pass to avoid a government shutdown and buy time until both chambers can agree on a bill for the remainder of FY11. Most commentators expect several short-term CR extensions before House/Senate finally agree on an approach.

The House and Senate will then begin working on the FY12 budget bill.

Action Items:

Now that the ball is in the Senate's court, it is important for Senator Franken and Senator Klobuchar to know how these cuts will impact Minnesota. If you would like to express your thoughts regarding the House's action, contact information for our Senators follows.

Senator Klobuchar
302 Hart Senate Office Building
Washington, DC 20510
Phone: 202-224-3244
Fax: 202-228-2186
klobuchar.senate.gov/emailamy.cfm

Senator Franken
320 Hart Senate Office Building
Washington, DC 20510
Phone: 202-224-5641
Fax: 202-224-0044
franken.senate.gov/?p=contact

MWCA Mission:

It is the mission of the Minnesota Workforce Council Association to provide Minnesota with a skilled and competitive workforce through engaged and proactive local elected officials, workforce boards, and staff.