

FY 2022

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

American Jobs Plan

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AMERICAN JOBS PLAN

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AMERICAN JOBS PLAN

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY								
(Dollars in Thousands)								
	FY 2020 Revised Enacted		FY 2021 Enacted		FY 2022 Legislative Proposal		Diff. FY22 LegProp / FY21 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Community College Training Partnerships	0	0	0	0	0	700,000	0	700,000
General Funds	0	0	0	0	0	700,000	0	700,000
Comprehensive Supports for Dislocated Workers	0	0	0	0	0	1,800,000	0	1,800,000
General Funds	0	0	0	0	0	1,800,000	0	1,800,000
Expanded Career Services	0	0	0	0	0	800,000	0	800,000
General Funds	0	0	0	0	0	800,000	0	800,000
Reentry Training Program	0	0	0	0	0	100,000	0	100,000
General Funds	0	0	0	0	0	100,000	0	100,000
Registered Apprenticeship and Pre-Apprenticeship	0	0	0	0	0	800,000	0	800,000
General Funds	0	0	0	0	0	800,000	0	800,000
SECTOR	0	0	0	0	0	1,400,000	0	1,400,000
General Funds	0	0	0	0	0	1,400,000	0	1,400,000
Subsidized Jobs Program	0	0	0	0	0	600,000	0	600,000
General Funds	0	0	0	0	0	600,000	0	600,000
Support for Phasing out 14(c)	0	0	0	0	0	300,000	0	300,000
General Funds	0	0	0	0	0	300,000	0	300,000

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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY								
(Dollars in Thousands)								
	FY 2020 Revised Enacted		FY 2021 Enacted		FY 2022 Legislative Proposal		Diff. FY22 LegProp / FY21 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DOL Enforcement and Misclassification¹	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	6,500,000	0	6,500,000
General Funds	0	0	0	0	0	6,500,000	0	6,500,000

¹ The Budget includes \$7,500,000,000 over 10 years to bolster DOL enforcement and address misclassification, with outlays estimated to occur starting in fiscal year 2023.

AMERICAN JOBS PLAN

OVERVIEW

The American Jobs Plan is an investment in America that will create millions of good jobs and rebuild our country's infrastructure. The nation is falling behind its biggest competitors on research and development (R&D), manufacturing, and training. It has never been more important for us to invest in strengthening our infrastructure and competitiveness, and in creating the good-paying, union jobs of the future.

Workforce development will play a critical role in both rebuilding the economy, especially after the tremendous loss of jobs due to the pandemic, and in developing the workforce that will build the new backbone of our country. As more people look for jobs, rejoin the workforce, or seek out new opportunities in a changing economy, there will be a greater need for quality job training and education and meaningful credentials so workers can earn higher wages, develop rewarding and lasting careers, and improve their economic well-being. The Department of Labor Budget includes proposals investing in workforce development in order to achieve these goals.

President Biden's infrastructure plan responds to employer demand for skilled labor and improves equity. These investments will be a link for workers to in-demand, high quality jobs and provide transferable skills. The proposal focuses on workforce development models with a proven track record, including registered apprenticeship and pre-apprenticeship, sector-based training, and intensive career services. Racial justice and equity for underserved communities are also prioritized within this proposal—workforce investments will be targeted to underserved groups, including people of color, people with disabilities, justice-involved individuals, and low-income people.

The American Jobs Plan does the following:

- **Pairs job creation efforts with next generation training programs.** The President is calling on Congress to invest in evidence-based approaches to supporting workers. This includes wraparound services, income supports, counseling, and case management, paired with high-quality training and effective partnerships between educational institutions, unions, and employers. Specifically, he is calling for a new Comprehensive Supports for Dislocated Workers (CSDW) Program and Sectoral Employment through Career Training for Occupational Readiness (SECTOR) program. The CSDW program will provide comprehensive supports to dislocated workers who are enrolled in a federally-funded training program in order to help them complete their training and move into new jobs without suffering economic insecurity. The SECTOR program will spur the creation of high-quality training programs in growing sectors such as clean energy, manufacturing, and caregiving, helping all workers find good-quality jobs in an ever-changing economy.
- **Targets workforce development opportunities in underserved communities.** Structural racism and persistent economic inequities have undermined opportunity for millions of workers. All of the investments in workforce training will prioritize underserved communities and communities hit hard by a transforming economy. President Biden also will call upon Congress to ensure that new jobs created in clean energy, manufacturing, and infrastructure are open and accessible to women and people

AMERICAN JOBS PLAN

of color. President Biden is calling on Congress to also specifically target funding to workers facing some of the greatest challenges. The Administration proposes doubling the investment in job training for formerly incarcerated individuals and justice-involved youth. In order to tackle long-term unemployment and underemployment, the Plan includes a new Subsidized Jobs Program, which will be targeted to public assistance recipients and disadvantaged youth. In addition, the Plan includes a proposal to phase out sub-minimum wage provisions in section 14(c) of the Fair Labor Standards Act and provides support to States to expand access to competitive, integrated employment opportunities and fair wages for workers with disabilities.

- **Builds the capacity of the existing workforce development and worker protection systems.** The United States has underinvested in the workforce development system for decades. In fact, we currently spend just one-fifth of the average that other advanced economies spend on workforce and labor market programs. This lack of investment impacts all of us: better educated workers create benefits for other workers and citizens and lack of employment has negative economic impacts on communities. The Administration proposes to significantly increase investment in American workforce development infrastructure and worker protection programs. The Plan includes new funding to vastly expand Registered Apprenticeship and pre-apprenticeships, especially for women and people of color who have been historically underrepresented in apprenticeship programs. The proposal also supports Community College Training Partnerships that build the capacity of the community college system to deliver high-quality job training programs based on in-demand skills. It also includes a large new investment in Expanded Career Services, which can help workers in all phases of their careers to land their next job and quickly get on career pathways. The President's plan also includes funding to strengthen the capacity of our labor enforcement agencies to protect against discrimination, protect wages and benefits, enforce health and safety safeguards, and strengthen health care and pensions plans.

COMMUNITY COLLEGE TRAINING PARTNERSHIPS

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Legislative Proposal	Diff. FY22 LegProp / FY21 Enacted
Activity Appropriation	0	0	700,000	700,000
FTE	0	0	0	0

Introduction

Building on the Trade Adjustment Assistance Community College and Career Training grants program, this \$9,000,000,000 investment will build the capacity of community colleges to train millions of Americans for the high-growth jobs of the future. Over 10 years, this program will provide a capacity building grant to every one of America’s public community colleges. These competitive grants will seed partnerships between community colleges, local and regional employers, public workforce system entities, unions, and community-based organizations to build high-quality workforce training programs. A portion of these funds will also be dedicated to building partnerships that drive equity for underserved communities in the provision of training and career services.

FY 2022

The Department is requesting \$700,000,000 in fiscal year 2022 to build the capacity of community colleges to train millions of Americans for the high-growth jobs of the future.

COMPREHENSIVE SUPPORTS FOR DISLOCATED WORKERS

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Legislative Proposal	Diff. FY22 LegProp / FY21 Enacted
Activity Appropriation	0	0	1,800,000	1,800,000
FTE	0	0	0	0

Introduction

The Budget invests \$18,000,000,000 over ten years in resources to States to provide comprehensive supports to dislocated workers who are enrolled in a federally-funded training program in order to help them complete their training and move into new jobs without suffering significant economic insecurity. There are many dislocated workers who would benefit from training but do not have the necessary wraparound services to be able to participate. This program will provide funds to States to deliver a range of supports to dislocated workers. Workers will be eligible to receive supports through this funding stream only if they are actively training in or have imminent plans to enroll in a Federally-funded program designed to lead to employment within a designated period of time (e.g. an American Jobs Plan program or WIOA program). Allowable supports include income support, supportive services (e.g. child care, transportation, etc.), job search allowances, and relocation benefits. Funding will be split between formula (80%) and competitive (20%) grants. In order to receive formula funds, States will have to submit a plan outlining their population targeting, service delivery strategy, and how these supports will work in tandem with other training investments (e.g. sector-based programs, apprenticeship, community college training programs). However, in order to avoid duplication of benefits, workers eligible for Trade Adjustment Assistance (TAA) benefits will not be eligible for supports that are already provided through TAA. In particular, States will have to outline which specific training programs’ participants would be targeted for these supports. States who submit a satisfactory plan will receive a formula grant based on the existing WIOA Dislocated Worker formula. In States that do not apply for the formula grant, DOL will have the authority to repurpose unused formula funds and run sub-state competitions that award grants to local workforce development boards working in conjunction with consortia comprised of community colleges, unions, and community-based organizations. In addition to the formula grants, DOL will administer competitive grants to seed innovative approaches to support service provision, which can then be replicated within the larger formula grants.

FY 2022

The Department is requesting \$1,800,000,000 in fiscal year 2022 for States to provide comprehensive supports to dislocated workers enrolled in federally-funded training programs.

EXPANDED CAREER SERVICES

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Legislative Proposal	Diff. FY22 LegProp / FY21 Enacted
Activity Appropriation	0	0	800,000	800,000
FTE	0	0	0	0

Introduction

High-quality career services can help workers in all phases of their careers to land their next job and quickly get on career pathways. By investing \$8,000,000,000 over ten years, we will greatly expand access to evidence-based intensive, staff-assisted career services offered through the Employment Service. The program will double the number of people who receive career services through the public workforce system, and will greatly increase the number of people who can access evidence-based intensive, individualized career services. Funds will be disbursed through the Employment Service State Grant funding stream, with an emphasis on providing high-quality career services to the full range of workers, and in particular underserved populations. Through this program, the public workforce system will be pushed to refine its employment service provision and seek new settings in which to deploy its services in order to ensure that everyone is served.

FY 2022

The Department is requesting \$800,000,000 in fiscal year 2022 to greatly expand access to intensive, staff-assisted career services offered through the Employment Service.

REENTRY TRAINING PROGRAM

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Legislative Proposal	Diff. FY22 LegProp / FY21 Enacted
Activity Appropriation	0	0	100,000	100,000
FTE	0	0	0	0

Introduction

The Budget includes \$1,000,000,000 to expand the scale of DOL’s provision of workforce development services to justice-involved individuals. This proposal will invest in reentry training efforts through DOL’s Reentry Employment Opportunities, doubling the program’s annual budget. Funds will be used to test novel approaches to providing justice-involved individuals with the career counseling, skills, and employment opportunities they need to lead successful careers, with a strong emphasis placed on building the evidence base through rigorous evaluation.

FY 2022

The Department is requesting \$100,000,000 in fiscal year 2022 to expand the scale of DOL’s provision of workforce development services to justice-involved individuals.

REGISTERED APPRENTICESHIP AND PRE-APPRENTICESHIP

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Legislative Proposal	Diff. FY22 LegProp / FY21 Enacted
Activity Appropriation	0	0	800,000	800,000
FTE	0	0	0	0

Introduction

The Budget provides DOL \$10,000,000,000 to vastly expand Registered Apprenticeship (RA) and the pathways into these proven earn-and-learn programs. This proposal will create between one and two million new RA slots over the next ten years. In doing so, it will place a focus on increasing access to RA for historically underrepresented groups, including people of color and women, and diversifying the industry sectors involved. In order to strengthen the pipeline of diverse individuals into RA, the proposal will invest in high-quality pre-apprenticeship programs that have direct ties to registered apprenticeship programs. The program will be split between Registered Apprenticeship investments (\$8,000,000,000) and pre-apprenticeship investments (\$2,000,000,000). Funds will be disbursed through a variety of means, including grants, contracts, and cooperative agreements, and will be provided to a wide range of entities, including States, labor unions, labor-management partnerships, employers, intermediaries, and other community-based organizations.

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The Department is requesting \$800,000,000 in fiscal year 2022, building on and surpassing what can be accomplished with the \$285,000,000 proposed in Training and Employment Services.

SECTORAL EMPLOYMENT THROUGH CAREER TRAINING FOR OCCUPATIONAL READINESS

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Legislative Proposal	Diff. FY22 LegProp / FY21 Enacted
Activity Appropriation	0	0	1,400,000	1,400,000
FTE	0	0	0	0

Introduction

The Budget proposes to create the Sectoral Employment through Career Training for Occupational Readiness (SECTOR) program, which will spur the creation of sector-based training programs that provide millions of workers with in-demand training that leads to high-quality jobs. The Budget provides DOL with \$22,000,000,000 for training investments targeted to high-growth industries and other key sectors such as information technology, clean energy, public health and child care. Funds will be disbursed through grant competitions run by the Department of Labor, which will work closely with other Federal agencies that possess relevant technical knowledge of target sectors. DOL will also be permitted to transfer resources to other Federal agencies in cases where they oversee existing funding streams that can more efficiently accomplish the program’s goal. Investments will support the formation of sector partnerships, development and scaling of sector training programs, and establishment of sector-focused career centers. The program will also provide supports to modernize the delivery of training, including using online modalities. DOL will make grants to consortia of workforce system entities, education providers, employers/industry groups, labor-management partnerships, community-based organizations, and unions. The private sector partners in the grants will also be expected to contribute resources (cash or in-kind) to ensure co-investment and enhance the scale of training efforts. Programs will be targeted to disadvantaged populations, including people of color, to advance equity in the training system. The labor market outcomes of program participants will also be tracked through common performance measures, with continued funding contingent on strong performance.

FY 2022

The Department is requesting \$1,400,000,000 in fiscal year 2022 for training investments targeted to high-growth industries and other key sectors.

SUBSIDIZED JOBS PROGRAM

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Legislative Proposal	Diff. FY22 LegProp / FY21 Enacted
Activity Appropriation	0	0	600,000	600,000
FTE	0	0	0	0

Introduction

The Budget includes \$4,000,000,000 over ten years to provide subsidized jobs to workers with barriers to employment and disadvantaged youth. This investment would create hundreds of thousands of employment opportunities in both the private and public sector for hard hit workers and disadvantaged youth by standing up a new subsidized employment program through the WIOA Adult and WIOA Youth funding streams. Funds would flow to States, which would have discretion over program design, including geographic targeting, subsidization level and duration, and program structure; however, in order to ensure a focus on the most disadvantaged groups, public assistance recipients would be prioritized for these subsidized employment opportunities. Beyond the initial job placements, a key goal of the program would be to promote long-term labor market attachment and career advancement. Therefore, States would be encouraged to tie job placements with opportunities for skill development and to create incentives for employers to retain employees beyond the life of the program, such as by leveraging other training funding to provide upskilling opportunities and structuring wage subsidies to diminish gradually over time so that employers take on an increasing share of the wage burden. By prioritizing service to public assistance recipients, the program would also further enhance collaboration between the workforce and public assistance systems, binding them together in common cause to provide employment, skill development opportunities, and supportive services for disadvantaged populations. There would also be a requirement that States use this funding to supplement, not supplant, current investment in subsidized employment and a parameter allowing a grace period for public assistance program participants to temporarily continue receiving ancillary services, such as case management and child care subsidies, from those programs even if the subsidized wage would otherwise make them ineligible. Additionally, there would be a requirement that states could not displace current public or private sector workers with workers from this subsidized jobs program.

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The Department is requesting \$600,000,000 in fiscal year 2022 to provide subsidized jobs for workers with barriers to employment and disadvantaged youth.

SUPPORT FOR PHASING OUT 14(c)

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Legislative Proposal	Diff. FY22 LegProp / FY21 Enacted
Activity Appropriation	0	0	300,000	300,000
FTE	0	0	0	0

Introduction

Since 1938, section 14(c) of the FLSA has provided certificates to employers to pay workers with disabilities below the minimum wage. With no floor, workers with disabilities can be paid merely a penny an hour. Minimal demographic and wage data are collected on workers with disabilities employed under 14(c) certificates and there is no accurate estimate of average wages. According to a GAO report conducted in 2001, the average wage was approximately \$2.50. The Department will invest \$2,000,000,000 to provide State grants, modeled after the Transformation to Competitive Employment Act, that support states in transitioning people with disabilities from subminimum wage to competitive integrated employment. The grants will support a wrap-around support model which guarantees there is also integrated and inclusive day services rather than segregated day habilitation. The state grants will ensure a successful shift to competitive integrated employment and that no one is ignored or left behind in the transition. The formula will be based on the number of 14(c) employers and people with disabilities employed in the state. For those states that have already passed legislation phasing out 14(c) or phased out 14(c) under other means, the Department will award smaller grants to boost competitive integrated employment supports as an incentive for proactive cross-program actions.

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The Department is requesting \$300,000,000 in fiscal year 2022 to support states in transitioning people with disabilities from subminimum wage to competitive integrated employment.

DOL ENFORCEMENT AND MISCLASSIFICATION

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Legislative Proposal	Diff. FY22 LegProp / FY21 Enacted
Activity Appropriation²	0	0	0	0
FTE	0	0	0	0

Introduction

It is critical to ensure that good jobs created through the investments in the President’s American Jobs Plan remain good jobs. The Budget provides DOL with \$7,500,000,000 over 10 years, with outlays estimated to start in fiscal year 2023, to ensure employers are held accountable for providing workers with good jobs—including jobs with fair and equal pay, safe and healthy workplaces, and workplaces free from racial, gender, and other forms of discrimination and harassment. These funds will be used to bolster enforcement and worker protection activities to safeguard workers’ rights, including combatting worker misclassification.

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N/A

² The Budget includes \$7,500,000,000 over 10 years to bolster DOL enforcement and address misclassification, with outlays estimated to occur starting in fiscal year 2023.