

ETA FISCAL YEAR 2017 BUDGET REQUEST HIGHLIGHTS

ETA FY 2017 REQUEST

FY 2017 Budget Request of \$10.34 billion includes:

- \$9.49 billion for existing discretionary programs
- \$849 million in mandatory funding for Federal Unemployment Benefits and Allowances (FUBA)
- Supports 1,181 FTE (812 FTE for PA, 182 FTE for Fed Admin of OFLC, 187 FTE for OJC)

EXISTING PROGRAMS

Program Administration - \$180.8 million to support 812 direct FTE. The PA appropriation includes:

- \$86.9 million for Training and Employment;
- \$43.5 million for Workforce Security;
- \$40.1 million for Apprenticeship; and
- \$10.3 million for Executive Direction.

Federal Unemployment Benefits and Allowances (FUBA) - \$849 million (\$12 million less than in FY 2016) for Trade Adjustment Assistance for Workers (TAA), including the following budget activities:

- \$450 million for Training and Other Activities (TaOA) – this amount is the statutory cap, effective under the Trade Adjustment Assistance Reauthorization Act of 2015 (TAARA 2015);
- \$357 million for Trade Readjustment Allowances (TRA); and
- \$42 million for Alternative/Reemployment Trade Adjustment Assistance (A/RTAA).

Training and Employment Services - \$3.525 billion, increase of \$190 million from FY 2016 Request.

- **Formula Programs** – Increase of \$138 million, maintaining the FY 2016 enacted State Reserve at 15 percent.
- **Reintegration of Ex-Offenders program** - \$95.1 million, approximately \$15 million to continue building on lessons learned from the rigorous formative evaluation of the Linking Employment Activities Pre-Release (LEAP) grants.
- **Apprenticeship Grants Program** - \$90 million, to support innovative, job-driven approaches that result in the expansion of Registered Apprenticeship programs to train workers with 21st century skills that meet employer and industry workforce needs, maintaining the enacted FY 2016 funding level.
- **Technical Assistance** - \$3.2 million for the Department to respond to the needs of the workforce system and assist states in the third year of WIOA implementation.
- **Workforce Data Quality Initiative** - \$40 million (\$34 million above FY 2016) for states to develop IT systems necessary to fully implement WIOA performance accountability and evaluation provisions.
- **Women in Apprenticeship and Non-Traditional Occupations (WANTO)** – no funding proposed because the Apprenticeship Grants Program will more fully address the apprenticeship diversity goals of WANTO.
- **YouthBuild** - \$84.5 million, the same level as FY 2016
- **Indian and Native American** - \$52 million, includes an increase of \$2 million and a legislative proposal to extend the period of funding availability from 12 months (July 1 - June 30) to 15 months (April 1 - June 30).
- **Migrant and Seasonal Farmworkers** - \$81.9 million (same level as FY 2016), includes a legislative proposal to extend the period of funding availability from 12 months (July 1 - June 30) to 15 months (April 1 - June 30).

State Unemployment Insurance and Employment Service Operations (SUIESO) - \$3.60 billion including:

- **Unemployment Insurance (UI)** - \$2.78 billion is comprised of: \$2.59 billion for State Administration, which includes \$10 million to reduce worker misclassification; \$185.9 million for UI Reemployment Service and Eligibility Assessments (RESEA), including serving all Unemployment Compensation for Ex-Service members (UCX) claimants; and \$15.2 million for UI National Activities;
- **Employment Service (ES)** - \$699.8 million, including \$680 million for ES Grants to States, and \$19.8 million for ES National Activities;
- **Foreign Labor Certification** - \$62.9 million, including \$48.7 million for Federal Administration (182 FTE) and \$14.3 million for State Grants.
- **E-Tools/Workforce Information/Capacity Building** - \$75.2 million, an increase of \$7.5 million over FY 2016.

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Job Corps - \$1.75 billion and 187 FTE, \$65 million and 27 FTE above the FY 2016 enacted level.

- **Operations** – \$1.6 billion, an increase of \$26.7 million. Of this increase, \$10.7 million will be used to upgrade safety and security for students and staff; \$5 million will be used for demonstration pilots to improve student outcomes; and \$11 million to modernize curricula, upgrade equipment to meet industry standards, refine training to provide skills and credentials that are in high-demand by employers, and undertake actions required to implement WIOA.
- **Construction** – \$105 million for Construction, Rehabilitation, and Acquisition, an increase of \$30 million. The increase will enable Job Corps to assess and address the most urgent safety and security issues; renovate existing buildings and construct new buildings; and modernize career technical training laboratories. Job Corps is also pursuing a goal that 15% of its facilities meet federal sustainability standards by FY 2025.
- **Administration** – \$41 million for Job Corps Administration and 187 FTE; an increase of \$8.7 million and 27 FTE from FY 2016. Of this increase, \$3.5 million and 17 FTE will be used for a Job Corps Oversight Team to institutionalize strong quality assurance and risk management practices, while \$1.32 million and 10 FTE will fully implement WIOA across all centers and \$1.435 million will be used to automate regional assessment and reporting, enabling real-time oversight of Job Corps for quality assurance and control.

Community Service Employment for Older Americans - \$434.4 million

- The FY 2017 Budget continues to reform the Senior Community Service Employment Program by awarding more competitive grants, adjusting income eligibility to serve those most in need, and promoting employment in for-profit organizations that offer better long-term unsubsidized employment prospects. It also includes a legislative proposal to extend the period of funding availability, from 12 months (July 1 - June 30) to 15 months (April 1 - June 30).

MANDATORY LEGISLATIVE PROPOSALS

Skills Initiative-\$12 Billion

- **Apprenticeship Training Fund** (\$2.0 billion over 5 years) to expand apprenticeships to more employers and to link apprenticeship with further pathways in higher education.
- **American Talent Compact** (\$3 billion over 5 years) to train 500,000 participants for in-demand jobs.
- **Career Navigators and WIOA Workforce Data Science and Innovation Fund** (\$2 billion over 5 years)
 - Career Navigators (\$1.5 billion over 5 years) to reach 1 million additional job seekers each year.
 - Workforce Data Science and Innovation Fund (\$500 million over 5 years)
- **Opening Doors for Youth**: (\$5.5 billion over 4 years) – these funds will center on committing to a first job and a degree for youth program participants, particularly unemployed out-of-school youth.

Paid Leave Partnership Initiative (\$2.2 billion over 3 years)

- Will cover up to 5 states' start-up and ongoing administrative costs for family and medical leave programs paying up to 12 weeks of benefits. The State Paid Leave Partnership program will not be requested in FY 2017.

UI Proposals - The Budget includes a comprehensive, cost-neutral suite of reforms to strengthen and modernize the UI program.

- **UI Solvency**: The Budget proposes to restore the 0.2 percent Federal Unemployment Tax Act (FUTA) surtax in 2017 and increase the taxable wage base to \$40,000 in 2018 while decreasing the effective FUTA tax to 0.167 percent to avoid a Federal tax increase in the first year.
- **Expanded Access to UI Benefits and Services**: The Budget includes a \$5 billion Modernization Fund for changes that ensure that UI benefits and reemployment opportunities are available to more workers who need them and requires all states to have a maximum duration of at least 26 weeks for the regular program, requiring states to adopt policies that expand access to UI benefits.
- **Wage Insurance**: The Budget proposes to create a wage insurance program to provide a safety net for workers who lose their jobs and become reemployed at lower wages, at least initially—often in new industries.
- **Work Sharing**: The Budget also contains incentives for states to adopt or expand their Short-Time Compensation (STC) programs, also known as work sharing.
- **Extended Benefits During Recessions**: The Budget proposes to create a new permanent, federally funded EB program that would respond quickly when state unemployment rates rise and provide more robust Federal assistance.