



TO: National Career Development Association- Government Relations Committee  
 FROM: Advocacy Associates, LLC  
 DATE: April 1, 2012  
 SUBJECT: Legislative Update

## On the Hill

### Fiscal Year 2013 Budget:

The Congressional Budget Office released its new budget projections and scoring of President Obama's budget proposal. Notable charts include:

### [Budget Projection for Pell Grants:](#)

**Table 6**

Mar-12

**FEDERAL PELL GRANT PROGRAM, DISCRETIONARY BASELINE, CUMULATIVE SURPLUS/SHORTFALL, FUNDING GAP**

MARCH 2012 BASELINE

|  | (by fiscal year, budget authority, program costs and outlays in millions of dollars) |        |        |        |        |        |        |        |        |        |        |
|--|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|  | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   |
| <b>PELL GRANT PROGRAM, DISCRETIONARY PORTION ONLY, CBO MARCH BASELINE a/</b>                   |  |        |        |        |        |        |        |        |        |        |        |
| <i>Regular Appropriation b/</i>  |  |        |        |        |        |        |        |        |        |        |        |
| Maximum award  | \$4,860  | ---    | ---    | ---    | ---    | ---    | ---    | ---    | ---    | ---    | ---    |
| Budget Authority   | 22,824   | 23,144 | 23,463 | 23,805 | 24,193 | 24,627 | 25,106 | 25,586 | 26,088 | 26,613 | 27,138 |
| Outlays  | 20,186   | 21,652 | 24,501 | 23,573 | 23,907 | 24,307 | 24,752 | 25,231 | 25,716 | 26,225 | 26,749 |
| <i>Mandatory funding under section 401(b)(7)(A)(iv) of the Higher Education Act of 1965 c/</i> |  |        |        |        |        |        |        |        |        |        |        |
| Budget Authority   | 13,795   | 7,587  | 588    | 0      | 0      | 1,574  | 1,382  | 1,409  | 1,430  | 1,145  | 1,145  |
| Outlays  | 10,483   | 9,572  | 5,928  | 499    | 6      | 425    | 1,506  | 1,391  | 1,414  | 1,353  | 1,148  |

**ESTIMATED DISCRETIONARY CUMULATIVE SHORTFALL/SURPLUS c/, d/**

|   | (by fiscal year, in millions of dollars) |        |        |        |        |        |        |
|---|--|--------|--------|--------|--------|--------|--------|
|   | 2006                                     | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   |
| Regular Discretionary Appropriation                 | 13,045                                   | 13,661 | 14,215 | 17,288 | 17,495 | 22,956 | 22,824 |
| American Recovery and Reinvestment Act of 2009      | 0  | 0      | 0      | 15,640 | 0      | 0      | 0      |
| Healthcare and Education Reconciliation Act of 2010 | 0  | 0      | 0      | 0      | 0      | 13,500 | 0      |
| DOD and Full-Year Cont. Appropriations Act of 2011  | 0  | 0      | 0      | 0      | 0      | 0      | 3,183  |
| Budget Control Act of 2011                          | 0  | 0      | 0      | 0      | 0      | 0      | 10,000 |
| Consolidated Appropriations Act, 2012               | 0  | 0      | 0      | 0      | 0      | 0      | 612    |
| Total Available Budget Authority                    | 13,045                                   | 13,661 | 14,215 | 32,928 | 17,495 | 36,456 | 36,619 |
| Estimated Program Costs                             | 12,826                                   | 14,697 | 16,062 | 26,856 | 30,541 | 30,716 | 30,634 |
| Cumulative Surplus/Shortfall (-)                    | 219                                      | -817   | -2,664 | 3,408  | -9,638 | -3,998 | 2,087  |

**ESTIMATED DIFFERENCE BETWEEN BUDGET AUTHORITY NEEDED TO SUPPORT A MAXIMUM AWARD OF \$4,860 AND AVAILABLE FUNDING**

|   | (by fiscal year, in millions of dollars) |        |        |        |        |        |        |        |        |        |
|---|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|   | 2013                                     | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   |
| Estimated Program Cost for \$4,860          | 30,659                                   | 31,254 | 31,476 | 31,761 | 32,088 | 32,408 | 32,808 | 33,284 | 33,727 | 34,118 |
| Cumulative Surplus for 2006-2012 d/         | 2,087                                    | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| Mandatory Budget Authority Available e/     | 7,587                                    | 588    | 0      | 0      | 1,574  | 1,382  | 1,409  | 1,430  | 1,145  | 1,145  |
| Total additional budget authority needed f/ | 20,985                                   | 30,666 | 31,476 | 31,761 | 30,494 | 31,026 | 31,399 | 31,854 | 32,582 | 32,973 |

## Scoring of President's budget:

### CBO's Reestimate of the President's 2013 Mandatory Proposals for Postsecondary Education 1./

| Outlays by fiscal year, in millions of dollars   |              |            |              |              |             |             |             |             |             |             |             |              | Mar-12       |  |
|--|--------------|------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--|
|  | 2012         | 2013       | 2014         | 2015         | 2016        | 2017        | 2018        | 2019        | 2020        | 2021        | 2022        | 2012-2017    | 2012-2022    |  |
| Pell Grant Mandatory Appropriations  | ---          | ---        | 1,621        | 4,322        | 60          | ---         | 103         | 382         | 398         | 409         | 422         | 6,003        | 7,717        |  |
| Set Subsidized Loan Interest at 3.40% for Academic Year 2012-2013                      | 2,480        | 3,505      | ---          | ---          | ---         | ---         | ---         | ---         | ---         | ---         | ---         | 5,985        | 5,985        |  |
| Reform and Expand the Perkins Loan Program   | ---          | 298        | -284         | -237         | -929        | -529        | -433        | -360        | -354        | -376        | -391        | -1,681       | -3,595       |  |
| Lower Guaranty Agency Compensation on Rehabilitated Loans                              | ---          | -3,065     | ---          | ---          | ---         | ---         | ---         | ---         | ---         | ---         | ---         | -3,065       | -3,065       |  |
| Overhaul TEACH Grants and Establish Presidential Teaching Fellows                      | ---          | 5          | 60           | 75           | 95          | 100         | 60          | -75         | -88         | -88         | -88         | 335          | 56           |  |
| Eliminate In-School Interest Subsidies on Subsidized Loans After 150% of Course Length | ---          | -40        | -95          | -115         | -115        | -110        | -110        | -115        | -115        | -120        | -120        | -475         | -1,055       |  |
| Establish Career Academies   | ---          | 30         | 190          | 350          | 330         | 80          | 20          | ---         | ---         | ---         | ---         | 980          | 1,000        |  |
| <b>Total</b>   | <b>2,480</b> | <b>733</b> | <b>1,492</b> | <b>4,395</b> | <b>-559</b> | <b>-459</b> | <b>-360</b> | <b>-168</b> | <b>-159</b> | <b>-175</b> | <b>-177</b> | <b>8,082</b> | <b>7,043</b> |  |

1. The format of this table is the same as the format for the President's Proposals included in Table S-9 of the Budget of the US Government Fiscal Year 2013. It includes only reestimates of the President's postsecondary education proposals and does not include additional mandatory funding requested for elementary and secondary education.

### Unemployment Compensation and Trade Adjustment Assistance for Workers

CBO March 2012 Baseline and the President's FY 2013 Budget

(By fiscal year, in millions of dollars)

|  | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|------|------|------|------|------|------|------|------|------|------|------|
|--|------|------|------|------|------|------|------|------|------|------|------|

#### CBO's March 2012 Baseline

#### Unemployment Compensation

|                       |               |               |               |               |               |               |               |               |               |               |               |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Regular Benefits      | 48,230        | 52,975        | 55,500        | 50,660        | 46,995        | 45,245        | 46,925        | 49,170        | 52,315        | 55,490        | 56,685        |
| Emergency Benefits    | 45,335        | 9,985         | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| Extended Benefits     | 5,410         | 690           | 1,300         | 390           | 190           | 210           | 45            | 45            | 45            | 45            | 45            |
| <b>Total Benefits</b> | <b>98,975</b> | <b>63,650</b> | <b>56,800</b> | <b>51,050</b> | <b>47,185</b> | <b>45,455</b> | <b>46,970</b> | <b>49,215</b> | <b>52,360</b> | <b>55,535</b> | <b>56,730</b> |

#### Trade Adjustment Assistance for Workers<sup>a</sup>

|  |     |       |       |       |     |     |     |     |       |       |       |
|--|-----|-------|-------|-------|-----|-----|-----|-----|-------|-------|-------|
|  | 826 | 1,051 | 1,193 | 1,099 | 980 | 964 | 979 | 993 | 1,008 | 1,023 | 1,038 |
|--|-----|-------|-------|-------|-----|-----|-----|-----|-------|-------|-------|

#### Memo: Detail for Regular Unemployment Compensation

|                                     |       |       |       |       |       |       |       |       |       |       |       |
|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| First Payments (millions of people) | 9.8   | 10.7  | 11.2  | 10.9  | 9.7   | 9.0   | 9.1   | 9.1   | 9.3   | 9.6   | 9.4   |
| Average Weekly Benefit              | \$286 | \$292 | \$300 | \$311 | \$322 | \$334 | \$345 | \$358 | \$372 | \$385 | \$399 |
| Average Duration (weeks)            | 17.2  | 17.0  | 16.5  | 15.0  | 15.0  | 15.0  | 15.0  | 15.0  | 15.1  | 15.1  | 15.1  |
| Labor Force (millions of people)    | 154.8 | 156.2 | 157.1 | 158.8 | 160.5 | 162.0 | 163.3 | 164.4 | 165.6 | 166.8 | 167.7 |
| Unemployment Rate                   | 8.8%  | 9.0%  | 9.0%  | 7.8%  | 6.5%  | 5.8%  | 5.5%  | 5.5%  | 5.4%  | 5.4%  | 5.3%  |

#### CBO's Reestimate of the President's FY 2013 Budget<sup>b</sup>

#### Direct Spending

|  |       |     |      |       |       |       |       |       |        |        |        |
|--|-------|-----|------|-------|-------|-------|-------|-------|--------|--------|--------|
| Eliminate TAA <sup>a</sup>             | 0     | 0   | -244 | -640  | -876  | -954  | -979  | -993  | -1,008 | -1,023 | -1,038 |
| Dislocated Worker Program <sup>a</sup> | 0     | 0   | 710  | 2,654 | 4,604 | 5,444 | 5,522 | 5,530 | 5,685  | 5,936  | 6,184  |
| Forgive 2 Years of State Interest      | 1,303 | 977 | 0    | 0     | 0     | 0     | 0     | 0     | 0      | 0      | 0      |

#### Revenues

|                               |   |        |        |       |        |        |       |        |       |       |       |
|-------------------------------|---|--------|--------|-------|--------|--------|-------|--------|-------|-------|-------|
| Make UI FUTA Surtax Permanent | 0 | 1,002  | 1,408  | 1,445 | 1,485  | 1,518  | 1,541 | 1,560  | 1,577 | 1,593 | 1,610 |
| Expand FUTA Base              | 0 | -3,439 | -5,065 | 4,676 | 12,843 | 11,718 | 3,210 | -1,557 | 2,741 | 2,490 | 2,940 |

Notes: TAA = Trade Adjustment Assistance; UI = unemployment insurance; FUTA = Federal Unemployment Tax Act.

a. Includes training and cash benefits.

b. For outlays, a positive number denotes an increase in outlays. For revenues, a positive number denotes an increase in revenues.

House Budget Chairman Paul Ryan (R-WI) released the GOP budget proposal for FY13. The proposal, "[The Path to Prosperity: A Blueprint for American Renewal](#)," would cap overall discretionary spending in FY 2013 at \$1.028 trillion, roughly \$20 billion below the discretionary limits agreed to as part of last summer's Budget Control Act (BCA). \$16.4 billion in proposed cuts would come from education, training, employment and social service programs.

The budget proposal does not go into specifics with numbers, but serves as a blueprint for how the House will proceed through the budgeting process. Rep. Ryan also held a committee markup of the [budget resolution](#) and the House is scheduled to consider it on March 28<sup>th</sup> and 29<sup>th</sup>.

Rep. Ryan's budget cites a GAO report that identified duplicative job training programs, specifically 49 programs in 9 federal agencies. The budget proposes to consolidate these overlapping job training programs into career scholarships and into a streamlined workforce development system. Additionally, job training programs are to be coordinated with each other and with the Pell Grant program.

### **Important Legislation:**

#### *H.R.3989, Student Access Act*

Update: the CBO released [budget estimates](#) for H.R. 3989, Student Access Act. The CBO estimates that H.R. 3989 would authorize the appropriation of \$16.7 billion in 2013 and \$85.9 billion from 2013-2017. Implementing the bill would have discretionary costs of \$64 billion over that period of time.

#### *H.R. 3606 Jumpstart Our Business Startups Act*

On December 8, 2012, Rep. Steven Fincher (R-TN) introduced the H.R. 3606, Jumpstart Our Business (JOBS) Act. The legislation is focused on helping small businesses thrive under current economic conditions. The legislation provides a tax cut to small businesses as well as amend business regulation laws, such as Dodd-Frank reform, to help benefit small business. The bill has strong bi-partisan support from the White House and Majority Leader Cantor (R-VA). The bill passed the House two weeks ago with 390-23 votes. The bill was passed in the Senate with an amendment on March 22 at a vote of 73-26. The House passed the amended bill on March 27<sup>th</sup> with a vote of 380-41. It has been sent to President Obama to be signed.

HR 3606 had 53 cosponsors.

#### *H.R.4227 Workforce Investment Act of 2012*

On March 20, Rep. John Tierney (D-MA) introduced H.R. 4227, Workforce Investment Act of 2012. The bill looks to reauthorize the Workforce Investment Act of 1998. The bill aims to streamline and improve the workforce investment system, improve system accountability, and promote innovation and best practices within the workforce investment system. The bill has been referred to the House Committee on Education and the Workforce.

Text of the legislation is still not available, but a point in the Democrats' [summary](#) of the bill may be of interest to NCDA. The point is under streamlining and improving workforce investment system programs: "[H.R. 4227] requires state and local workforce investment boards to implement career pathways strategies and initiatives that offer career advancement to workers."

H.R. 4227 has 2 cosponsors: Rep. George Miller (D-CA) [Ranking Member of Education and Workforce Committee], Rep Ruben Hinojosa (TX-15)

### **House Appropriations Hearing on Veteran's Employment and Training Programs**

On March 21, 2012, the House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies held a hearing on Veteran's employment and training programs. The panel included:

- [LtCol. Ismael Ortiz USMS](#) (Ret.), Deputy Assistant Secretary for Veterans Affairs Employment and Training, DOL
- [LtCol Kevin M. Schmiegel USMC](#) (Ret.), Executive Director, Hiring Our Heroes, Vice President, U.S. Chamber of Commerce
- [Mr. Joseph Carbone](#), President and CEO, the Workplace, Inc.

Subcommittee Chairman Denny Rehberg (R-MT) opened the hearing by discussing the need to help veterans find employment in an already difficult job market. He specifically mentioned private efforts by Microsoft to train returning veterans for new technology jobs. On the public front, he mentioned the Department of Labor's Transition Assistance Program to help returning veterans reintegrate into the private sector job market.

### **House Appropriations Hearing on Department of Education's Budget**

On March 22, 2012, the House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related agencies held a hearing on the Department of Education's budget proposal for 2013. The panel included:

- Arnie Duncan, Secretary of the Department of Education

Subcommittee Chairman Denny Rehberg's (R-MT) and Appropriations Chairman Hal Rogers' (R-KY) opening statements described the importance of education, but quickly shifted gears to mandatory spending being a primary driver of national debt. They both made it clear that they do not agree with an education budget request that adds \$9 billion to mandatory spending.

Ranking Member Rosa DeLauro's (D-CT) and Rep Norm Dicks' (D-WA) opening statements provided a very different perspective of the Department of Education's budget. Both members mentioned numerous cuts that have occurred in the past years to the Department of Education. Most notably, Rep. DeLauro mentioned that under 2012 legislation, appropriations for the Department of Education excluding Pell Grant were \$1.5 billion less than the comparable level two years earlier. Rep. Dicks was also very defensive of Pell Grants.

There was significant discussion regarding IMPACT Grants and Pell Grants, with Chairman Rehberg preferring funding to the former and Rep. Dicks to the latter. The majority of the hearing was less substantive with members commenting on the impacts of the President's budget proposal versus Rep. Paul Ryan's (R-WI) budget.

### **House Appropriations Hearing on Department of Labor's Budget**

On March 28, 2012, the House Appropriations committee will be holding a hearing on the Department of Education's budget proposal for 2013.

### **House Education and Workforce Hearing on Department of Labor's Budget**

On March 28, 2012, the House Education and Workforce committee will be holding a full committee hearing on the Department of Education's budget proposal for 2013.

## *Off the Hill*

### *Department of Labor Letter*

The letter was sent on March 13<sup>th</sup> to the Assistant Secretary Jane Oates. Given the short timeframe, it may not be possible to make changes to this rulemaking process. However, it offers as excellent hook to discuss the issue and we suggest an effort be made to follow-up with a meeting or other discussions. *Advocacy Associates will provide us with suggestions on how to follow-up, however it is suggested that we do so in the near future as a way to build a bridge between NCDA and the Department of Labor.*

### *Hill Staffers Briefing*

ACA had suggested cosponsoring an event on Capitol Hill with NCDA to provide career counseling services to Capitol Hill staffers. *Assuming interest, this would be a great way to partner with ACA and provide a service to staffers on the Hill. Logistics would have to be worked out, however, there may be no better way to introduce members of Congress to our services and field than to provide assistance to staffers who may need to transition from their current positions after the elections.*