

## FY18 Federal Budget: Workforce Development and Latinos

A skilled and educated workforce is the key to a strong economy. Yet as Latino workers continue to join the labor force—by 2050, nearly one in every five workers in the country will be Latino and Hispanics boast the highest labor force participation rate (66%) of any racial or ethnic group—many face challenges that prevent them from being competitive in the job market. The Workforce Innovation and Opportunity Act (WIOA)—legislation passed in 2014 with overwhelming support in the Senate (passed 95-3) and the House (passed 415-6)—seeks to address this issue. Each year, more than 20 million workers receive assistance from a network of federally funded, locally operated American Job Centers authorized by WIOA.<sup>1</sup> In addition, the Carl D. Perkins Career and Technical Education Act (Perkins) authorizes block grants to states for career and technical education in high school and community college to promote educational attainment, training and productivity.

### **What do Federal Workforce Training Programs do?**

American Job Centers provide the crucial training, education, and services needed to keep our workers skilled and competitive, and to ensure employers find the talent they need to grow. These centers help long-term unemployed workers find jobs, retrain dislocated workers for new careers, upskill current workers, engage opportunity youth in school or work, and provide adults with basic and secondary education, and with literacy services like English as a Second Language (ESL).<sup>2</sup> WIOA improves access to education and workforce services for people with significant barriers to employment to help ensure that everyone can find a good job in today's increasingly technological economy. Perkins Act funding supports career and technical education (CTE) that provide practical, hands-on skills as a complement to academic coursework. CTE courses prepare students for positions that promote small business growth, such as auto mechanics and cosmetology, and fill demand in high-growth fields, such as health services and information technology. Multiple studies have shown that students who participate in CTE courses are more likely to continue their education beyond high school and earn higher wages compared with their peers.<sup>3</sup>

### **Who Benefits from WIOA and CTE?**

WIOA and CTE benefit low-income individuals, and those who experience significant barriers to employment such as immigrants, seniors, veterans, individuals with disabilities, high schoolers,

community college students, and out-of-school and opportunity youth. In 2015, more than 104,000 Latinos benefited from workforce services authorized by WIOA, including over 60,000 dislocated workers and over 27,000 youths.<sup>4</sup> An additional 234,000 Latinos benefited from adult basic or secondary education, and another 428,000 benefited from literacy services.<sup>5</sup> In the 2013-14 school year, there were 7.5 million high school and 3.9 million postsecondary CTE participants. Postsecondary CTE participants are more likely than other students to be older, married and working part- or full-time.

## What About the Federal Budget?

President Trump's FY18 budget proposal includes cuts that will undermine efforts to rebuild a strong and successful middle class. The Trump budget seeks to cut WIOA funding by 40%—from \$2.7 billion to \$1.6 billion—and despite bipartisan Congressional support for career and technical education programs, the Trump budget cuts Perkins funding by \$168 million, which is a 15% reduction from current levels.

The FY18 Departments of Labor, Health and Human Services, Education, and Related Agencies Appropriations Act passed by the House Appropriations Committee also cuts funding for these crucial workforce development programs by slashing \$86 million in funding for WIOA grants to states.<sup>6</sup> Congressional appropriators should reject attempts to weaken WIOA and CTE, which are designed to give American workers a competitive edge in the labor force.

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<sup>1</sup> Department of Labor, *FY 2017 Budget in Brief* (Washington, DC: U.S. Department of Labor, 2017), [https://www.dol.gov/sites/default/files/documents/general/budget/FY2017BIB\\_0.pdf](https://www.dol.gov/sites/default/files/documents/general/budget/FY2017BIB_0.pdf)

<sup>2</sup> Angela Hanks, "President Trump's Budget Breaks His Promises to Workers – Again," *Center for American Progress*, March 17, 2017, <https://www.americanprogress.org/issues/economy/news/2017/03/17/428535/president-trumps-budget-breaks-promises-workers/>

<sup>3</sup> James Kemple, *Career Academies: Long-Term Impacts on Work, Education, and Transitions to Adulthood* (New York, NY: MDRC, 2008), <http://www.mdrc.org/publication/career-academies-long-term-impacts-work-education-and-transitions-adulthood>; and Shaun Dougherty, *Career and Technical Education in High School: Does It Improve Student Outcomes?* (Washington, DC: Thomas B. Fordham Institute, 2016), <http://edex.s3-us-west-2.amazonaws.com/publication/pdfs/%282016.04.07%29%20Career%20and%20Technical%20Education%20in%20High%20School.pdf>

<sup>4</sup> Social Policy Research Associates, *PY 2015 WIASRD Data Book* (Oakland, CA: Social Policy Research Associates, 2017), <https://www.doleta.gov/performance/results/WIASRD/PY2015/PY2015-WIASRD-Data-Book.pdf>.

<sup>5</sup> National Skills Coalition, "WIOA 101: What Community-Based Organizations Need to Know about the Workforce Innovation and Opportunity Act" (presentation, NCLR Workforce Development Forum, 2016) <http://www.nationalskillscoalition.org/resources/publications/file/WIOA-101-workshop-for-NCLR-May-2016-FINAL.pdf>

<sup>6</sup> House Committee on Appropriations, *Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Bill, 2018*, 115<sup>th</sup> Cong., 1st sess., 2017, Committee Print, <https://appropriations.house.gov/uploadedfiles/23920.pdf> and House Committee on Appropriations, Democrats, "Summary of 2018 Labor, Health and Human Services, Education Appropriations bill – Committee mark," press release, July 19, 2017, <http://democrats.appropriations.house.gov/news/press-releases/summary-of-2018-labor-health-human-services-education-appropriations-bill>