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## MEMORANDUM

To: NCLR Affiliates

From: Charles Kamasaki, Executive Vice President  
Eric Rodriguez, Vice President, Office of Research, Advocacy, and Legislation  
Simon Lopez, Senior Director, Workforce and Leadership Development  
Catherine Singley, Policy Analyst

Re: The American Recovery and Reinvestment Act of 2009: Funding for Job Training

Date: March 10, 2009

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The purpose of this memorandum is to inform National Council of La Raza (NCLR) Affiliates about funding opportunities for workforce development and job training programs as provided in the American Recovery and Reinvestment Act of 2009 (ARRA). Signed into law on February 17, 2009 by President Obama, ARRA, also known as the economic stimulus or recovery act, will invest billions of dollars in job training and adult education initiatives.<sup>1</sup>

### **Latino Workers and the Recession**

Even before the economic recession began in 2008, Latinos faced significant disadvantages in the labor market. Despite having the highest workforce participation rate (68%, compared to 65.6% for all adults), Latinos earn the lowest median wages and have the lowest rates of employer-sponsored health and retirement plan coverage of any group.<sup>2</sup> During 2008, unemployment spread from the construction industry, where approximately one in three workers is Latino, to nearly every sector of the economy. The Hispanic unemployment rate rose from 6.4% in January 2008 to 9.7% in January 2009, the largest one-year increase for any racial or ethnic group. As of February 2009, Latino unemployment was 10.9%, compared to 13.4% for Blacks and 7.3% for Whites.<sup>3</sup> U.S.-born Latinos made up the fastest-growing segment of the labor force in 2008, which sustained their overall employment level; meanwhile, the percentage of foreign-born Latinos who lost their jobs in 2008 (4.1%) was the largest of any group.<sup>4</sup>

### **NCLR's Work on the Economic Stimulus Plan**

NCLR worked with various teams within the Obama administration and two leading members of Congress, Representative Raúl Grijalva (D–AZ) and Senator Robert Menendez (D–NJ), to push for targeted resources in the economic recovery legislation for job training programs that give priority to limited-English-proficient (LEP) workers.

Representative Grijalva's amendment, which would have allocated funding to integrated job training programs and farmworker job training, was not included in the final House bill. Similarly, Senator Menendez's efforts did not result in changes to the statutory language of the Senate bill. From NCLR's perspective, the final bill was an outcome of two major factors:

- **Rigid criteria for “economic stimulus.”** With few exceptions, the types of measures that policymakers considered for inclusion in the package had to be implemented quickly (i.e., “shovel-ready”) and generate immediate economic activity (i.e., be “stimulative”). Congress favored directing funds toward existing programs rather than new projects. Consequently, the final legislation prioritizes large-scale transfers through formula grants to states and localities over programs administered by nonprofit organizations that may be more targeted.
- **Relatively closed policy-making process.** On the whole, the stimulus package flowed through a relatively closed-door process. In Congress, a few lawmakers on the Appropriations Committees held considerable influence over the process and content of the legislation. Preexisting relationships with appropriators or members of the House Committee on Ways and Means and Senate Finance Committee were necessary in order to shape the rapidly moving package.

Despite these challenges, the \$787 billion economic recovery package presents unprecedented levels of support for workforce development activities at a time when investments in workers are more critical than ever.

### **Opportunities for NCLR Affiliates**

Ensuring that Latinos do not fall further behind during this economic downturn is of tremendous importance for the economic prosperity of the country. It is expected that by 2050, one out of every three American workers will be Latino.<sup>5</sup> Therefore, today’s Latino workforce must access job training and adult education programs that can prepare individuals to compete for good jobs and climb the economic ladder.

NCLR Affiliates play a critical role in reaching Latino workers, particularly less-skilled and LEP individuals, who are severely underserved by the public workforce development system. For instance, while 13.4% of native-born and 73% of foreign-born Hispanics are LEP,<sup>6</sup> only 4.9% of individuals who receive training services through publicly funded programs are LEP.<sup>7</sup> Several NCLR Affiliates currently operate, or could quickly unveil, job training programs that could produce positive employment outcomes for Latinos. ARRA presents opportunities for organizations to:

- **Supplement** existing privately funded job training and adult education programs.
- **Expand** existing programs, especially those currently funded through the federal Workforce Investment Act (WIA).
- **Initiate** new “ready-to-go” programs that fall within the parameters of eligible programs funded through ARRA.

### **Guidelines for Accessing ARRA Funds**

Due to the unprecedented size of the economic recovery act and the president’s intention for the money to be spent quickly, NCLR Affiliates should consider the following:

- **Act quickly.** The urgency of the economic crisis demands that ARRA funds reach communities quickly to help the most vulnerable, create jobs, stem the tide of rising unemployment, and jumpstart local economies. State and local governments are under immense pressure to “get the money out the door.” ARRA will allocate WIA formula

funds within 30 days of enactment (March 19, 2009) to be made available for the same period as program year 2008 funds. Thus, organizations that are current WIA contractors should expect to be able to significantly amplify their activities through additional funding. Federal agencies are expected to begin reporting their competitive grants and contracts in May 2009. NCLR recommends that Affiliates recognize the exceptional speed with which this legislation will be implemented and act immediately to apply for program funds.

- **Be proactive.** Organizations should not assume that a traditional request for proposals (RFP) process will govern how ARRA funds are allocated and awarded. The Department of Labor Employment and Training Administration will issue formal guidance on implementation of the WIA sections of the act by March 19, with guidance for the YouthBuild USA and high-growth competitive grant funds following shortly thereafter.<sup>8</sup> In the meantime, Affiliates are urged to approach their local workforce investment boards, governors, and other influential figures as soon as possible to inquire about funding opportunities.
- **Be realistic.** Despite the unprecedented size of the recovery plan, organizations should resist the temptation to request more funds than they are prepared to use. Affiliates are discouraged from applying for grants and contracts without first considering whether they are equipped with the infrastructure and resources needed to support new and expanded programs. WIA funds must be spent by June 30, 2011 and must be obligated throughout the two-year period. The unprecedented emphasis on accountability and transparency is also worth noting, as new projects are likely to require rigorous and timely reporting. Nothing would sabotage future federal investment in workforce development programs more than if organizations fail to use ARRA funds effectively or entirely.
- **Be persuasive.** In both formal and informal settings, it is important that organizations “package” their programs in a way that demonstrates their readiness for funds. In addition to programs with successful track records and innovative models, state governments will seek to fund programs that result in job creation, make long-term investments in critical industries (e.g., health care), help to close America's skills gap, and/or meet President Obama's challenge that every American commit to one year or more of higher education or career training. Affiliates should emphasize how their program intends to fulfill these objectives.

### **NCLR as a Resource**

NCLR will remain vigilant as funds from the recovery act are distributed to states and awarded at the local level. Activities will include:

- **Sharing information.** As more information on stimulus implementation becomes available, NCLR's Workforce Development team will share it with Affiliates. Organizations can sign up to receive emails through NCLR's Workforce Development regional listservs. Contact Surabhi Jain at [sjain@nclr.org](mailto:sjain@nclr.org) to subscribe.
- **Monitoring implementation.** To the extent possible, NCLR will follow trends of how and where ARRA funds are allocated and awarded. Staff will communicate this information to Affiliates.
- **Gathering feedback.** NCLR's Workforce Development team will rely on Affiliates to communicate successes and struggles in accessing and implementing recovery act funds.

NCLR is particularly interested in hearing about Affiliate experiences with emerging issues, such as investments in green jobs. The Workforce Development listservs will be the primary means of contact.

### **Additional Resources**

- The primary national resource on ARRA, including the text of the legislation and implementation timelines, is the White House's [www.recovery.gov](http://www.recovery.gov).
- Specific information on workforce development can be found on the Department of Labor's website for recovery: <http://www.dol.gov/recovery>. Questions can be emailed to [eta.stimulus@dol.gov](mailto:eta.stimulus@dol.gov).
- Federal government grant opportunities are listed on [grants.gov](http://grants.gov).
- Several state governors have established recovery task forces to provide timely and accurate information about stimulus implementation. These will be invaluable resources once states have received their share of federal funds.

### **Summary of Job Training and Adult Education Provisions in ARRA**

The following is a list of funds provided by ARRA and accessible to community-based organizations to carry out job training, employment services, and adult education programs.<sup>9</sup>

#### **WIA Employment and Training Formula Grants**

- **Adults (\$500 million).** This includes supportive services and needs-related payments as described by WIA Section 132(e)(2) and (3). Priority is given to programs that reach hard-to-serve populations, such as those in low-income brackets, as described in Section 134(d)(4)(E) of WIA. Visit [http://www.doleta.gov/programs/general\\_info.cfm](http://www.doleta.gov/programs/general_info.cfm) for more information.
- **Youth (\$1.2 billion).** Summer job programs will be given first priority, but other types of programs qualify. The only indicator of program effectiveness will be work readiness. Also, eligibility for youth programs is expanded to individuals up to age 24 (previously age 21). Visit [http://www.doleta.gov/youth\\_services](http://www.doleta.gov/youth_services) for more information.
- **Dislocated Worker Employment and Training Activities (\$1.25 billion).** The definition of dislocated worker can be found at [http://www.doleta.gov/programs/general\\_info.cfm](http://www.doleta.gov/programs/general_info.cfm). An additional \$200,000 is available to address larger worker dislocations through National Emergency Grants, described at <http://www.doleta.gov/NEG/definition.cfm>.

#### **WIA Discretionary Funding**

- **Competitive Grants for High-Growth and Emerging Industry Sectors, Including Green Jobs and Health Care (\$750 million).** Of these funds, \$500 million is reserved for research, labor exchange, and job training projects that prepare workers for careers in energy efficiency and renewable energy industries (a.k.a. "green jobs"). Funds not used for green jobs activities will prioritize preparing workers for careers in health care. Since this is a new grants program, the definition of "high-growth and emerging industry sectors" is potentially flexible. Affiliates with existing sector strategies programs are encouraged to apply.

- **YouthBuild USA (\$50 million).** A relatively new initiative, YouthBuild offers at-risk youth educational and career-training opportunities through classroom time and participation in construction and rehabilitation projects in distressed and low-income neighborhoods. See [http://www.doleta.gov/youth\\_services/YouthBuild\\_Competition\\_2009.cfm](http://www.doleta.gov/youth_services/YouthBuild_Competition_2009.cfm) for more information.

### Other Training and Education Programs

- **Health Resources and Services Administration Workforce Development Programs (Department of Health and Human Services) (\$500 million).** Funds are to be used for scholarships, loan repayment, and equipment for job training programs in the health field, in accordance with the Public Health Service Act. Check <http://www.hhs.gov/recovery> for upcoming information.
- **JobCorps (\$250 million).** JobCorps serves at-risk youth, ages 16 to 24, through a combined classroom and applied job training strategy. For more information, visit <http://www.dol.gov/dol/topic/training/jobcorps.htm>.
- **Electricity Delivery and Energy Reliability Activities (Department of Energy) (\$100 million).** Funds are dedicated to worker-training activities to prepare workers to modernize the electric grid, among other energy infrastructure projects. Check <http://www.energy.gov/recovery> for more details.
- **Community Service Employment for Older Americans (\$120 million).** Funding will be allotted to current grantees based on program year 2008 allotments, to be expended through June 2010. Details on the program, also known as the Senior Community Service Employment Program, are available at [http://www.doleta.gov/SENIORS/html\\_docs/AboutSCSEP.cfm](http://www.doleta.gov/SENIORS/html_docs/AboutSCSEP.cfm).

Organizations may sign up for NCLR’s Workforce Development listservs by contacting Surabhi Jain at [sjain@nclr.org](mailto:sjain@nclr.org). Additional questions on ARRA implementation may be directed to Simon Lopez, Senior Director, Workforce and Leadership Development, at (312) 269-9250 or Catherine Singley, Policy Analyst, at (202) 776-1670.

### Endnotes

<sup>1</sup> A complete summary and the full text of the American Recovery and Reinvestment Act can be found at [www.recovery.gov](http://www.recovery.gov).

<sup>2</sup> U.S. Bureau of Labor Statistics, “Data Retrieval: Labor Force Statistics (CPS),” Table A-2, <http://www.bls.gov/webapps/legacy/cpsatab2.htm>, (accessed March 6, 2009); U.S. Bureau of Labor Statistics, “Data Retrieval: Labor Force Statistics (CPS),” Table A-3, <http://www.bls.gov/webapps/legacy/cpsatab3.htm> (accessed March 6, 2009).

<sup>3</sup> Ibid.

<sup>4</sup> Rakesh Kochhar, *Unemployment Rises Sharply Among Latino Immigrants in 2008* (Washington, DC: Pew Hispanic Center, 2009), <http://pewhispanic.org/files/reports/102.pdf> (accessed February 13, 2009).

<sup>5</sup> Jeffrey J. Passel and D’Vera Cohn, *U.S. Population Projections: 2005-2050* (Washington, DC: Pew Research Center, 2008), <http://pewhispanic.org/files/reports/85.pdf> (accessed March 2008). Not all working-age adults are in the labor force.

<sup>6</sup> Pew Hispanic Center, *Statistical Portrait of Hispanics in the United States, 2006*, “Table 19. Language Spoken at Home and English-Speaking Ability by Age, Race and Ethnicity: 2006” (Washington, DC: Pew Hispanic Center, 2008), <http://pewhispanic.org/files/factsheets/hispanics2006/Table-19.pdf> (accessed September, 2008).

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<sup>7</sup> Allegra Baider, *Congressional Action Needed to Ensure Low-Income Adults Receive Critical Employment and Training Services under the Workforce Investment Act* (Washington, DC: Center for Law and Social Policy, 2008), [http://www.clasp.org/publications/action\\_needed\\_for\\_wia\\_final.pdf](http://www.clasp.org/publications/action_needed_for_wia_final.pdf) (accessed September, 2008).

<sup>8</sup> Training and Employment Notice, “Overview of the Employment and Training Administration’s implementation strategy for Workforce Investment Act and Wagner-Peyser funding under the American Recovery and Reinvestment Act of 2009,” no. 30-08. March 4, 2009, U.S. Department of Labor, <http://wdr.doleta.gov/directives/attach/TEN/ten2008/TEN30-08acc.pdf> (accessed March 5, 2009).

<sup>9</sup> *American Recovery and Reinvestment Act of 2009*, Public Law 111-5, 111th Cong., 1st. sess. (February 17, 2009). Additional workforce investment elements of the law, including tax provisions and funds for states, are compiled in The Workforce Alliance, *American Recovery and Reinvestment Act, TWA Analysis, Recommendations, Advocacy* (Washington, DC: The Workforce Alliance, 2009), [http://www.workforcealliance.org/atf/cf/%7B93353952-1DF1-473A-B105-7713F4529EBB%7D/ECONOMIC\\_RECOVERY\\_PACKET\\_UPDATED03.05.09.PDF](http://www.workforcealliance.org/atf/cf/%7B93353952-1DF1-473A-B105-7713F4529EBB%7D/ECONOMIC_RECOVERY_PACKET_UPDATED03.05.09.PDF) (accessed February 25, 2009).