

---

# American Recovery and Reinvestment Act of 2009

---



---

U.S. Department of Labor  
Employment & Training Administration  
San Francisco Regional Office

---

.

---

# Objectives

- Set the context for enactment of the *American Recovery and Reinvestment Act of 2009* (“ARRA” or “Recovery Act”)
  - Define how *Recovery Act* relates to existing legislation
  - Outline key provisions that pertain to the *Workforce Investment System*
  - Review policy priorities for implementation
  - Answer Questions
-

---

# Context for Enactment of Recovery Act

- The Recovery Act was signed in to law on February 17, 2009.
  - The Recovery Act is in response to the recession. It is intended to create or save 3.5 million jobs over next two years and help those who have lost their jobs.
-

---

# Context for Enactment ARRA

## **General Intent**

- Preserve and create jobs
- Promote economic recovery
- Assistance to those most impacted

## **Role of the Workforce Investment System**

- Help Americans acquire new skills
  - Help Americans get back to work
  - Position the workforce investment system for the 21<sup>st</sup> century Global Economy.
-

# Recovery Act Funding for WIA and related programs (non-UI and Trade)

## Activity

WIA Adult	\$500M	(formula) AK = \$1.7M
WIA Youth	\$1.2B	(formula) AK = \$3.9M
WIA DW	\$1.250B	(formula) AK = \$3.5M
W-P ES	\$400M	(formula) AK = \$4.3M
SCSEP	\$120M	(formula) AK = \$507K
YouthBuild	\$50M	(competitive)
HG/Green Jobs	\$750M	(competitive)
Nat'l Reserve	\$200M	(application)
for NEG's		

- WIA formula and Wagner-Peyser ES funds are available through Program Year (PY) 2010 or until June 30, 2011.

---

## ARRA Funding for WIA and Related Programs (cont)

- The Recovery Act was passed as legislation separate from the many authorizing statutes across federal government.
  - All rules and regulations for WIA programs remain unless specifically exempted.
  - For example, WIA stimulus money must be spent in accordance with existing WIA rules and regulations, except where explicitly changed, such as the increase to age 24 of youth eligible to receive services with Recovery Act funds.
-

---

## Life of ARRA Funds for WIA and Related Programs

- The period of availability for expenditure of WIA and Wagner-Peyser funds is February 17, 2009 through June 30, 2011.
  - It is intended that a majority of these funds will be spent within the first year of availability.
-

---

## Life of Funds and Allotments (cont)

- Recovery Act funds were distributed using the same formula used for distributing regular WIA Adult, Youth, Dislocated Worker, and Wagner-Peyser grants.
  - Activities under the normal formula funding are expected to proceed as usual, and states are not authorized to “save” regular funding due to the availability of Recovery Act funding.
  - States are to spend Recovery Act funds concurrently with regular formula funds
-

---

## Four Key Policy Drivers of the Recovery Act

- **Expedited and effective use of funds.**
  - **Transparency and accountability.**
  - **Emphasis on services for hard-to-serve populations.**
  - **Leverage long term system change.**
-

---

## Key Policy Drivers (cont)

- **Expedited Funding and Effective Use of Funds:**
    - Allotments to states were released on March 13, 2009.
    - Expenditures made concurrent with regular formula funding.
    - Expect increased enrollments in all components, especially training enrollments and youth work experience activities.
    - Increased use of supportive services and needs-related payments.
  - **Transparency and accountability:**
    - Information on our activities is available to the public on [www.recovery.gov](http://www.recovery.gov) website.
-

---

## Key Policy Drivers (cont)

- **Emphasis on hard-to-serve populations:**
    - ❑ Priority for services to public assistance recipients and other low income individuals .
    - ❑ Reemployment services funds targeted to UI claimants.
    - ❑ Veterans priority of service requirements apply.
    - ❑ Stimulus funding provides extra resources to serve hard to serve populations with support services such as needs-related payments, transportation, etc.
    - ❑ Increased training facilitated by providing additional flexibility to contract for training.
-

---

## Key Policy Drivers (cont)

- **Leverage long term system change:**
    - Use this infusion of temporary resources to leverage long term improvements to the workforce system, including partnerships with industry and labor, community colleges, and community philanthropy.
    - Include regional strategies (across jurisdictions) and regional high growth sectors, such as in the energy and health care industries.
    - Integrate strategies for low skill, low wage workers
-

---

## Planning for 2009 Summer Youth Activities

- States encouraged to use a significant portion of the WIA Youth formula funds to operate a new or expanded, high-quality summer youth employment program.
  - The eligible age for youth served with Recovery Act funding is expanded to 14-24, to serve young adults disconnected from education and the labor market.
  - ETA encourages focus on low income and disconnected youth (low income, formerly incarcerated, minimal work history)
-

---

## Adult Services under Recovery Act

- \$500M in Recovery Act funds added to regular annual Adult formula funding. Funds must be spent concurrently.
  - Reiterate, with exceptions noted above, WIA statutory requirements apply to these funds, as does veterans priority of service.
  - All program services authorized under WIA are potential services to adults using Recovery Act funds.
  - Priority on services to public assistance recipients and other low income individuals.
-

---

## DW Services and NEGs under Recovery Act

- \$1.25 billion in additional funds provided for formula grants for services to dislocated workers.
  - To be spent concurrently with PY formula funding to address the needs of those filing for unemployment compensation and other dislocated workers.
  - Need to increase training enrollments and provide support services and/or needs-related payments.
  - \$200 million in additional funding for National Emergency Grants. Secretary's discretion to use funds for emergencies and mass layoffs.
-

---

## SCSEP and Reemployment Services

- \$120 million is provided for additional slots in the Senior Community Service Employment Program (SCSEP). AK = \$507,317
  - Funding will go to existing grantees.
  - \$250 million is provided under the Wagner-Peyser Act for reemployment services to UI claimants, and an additional \$150,000,000 is provided for Employment Service operations.
-

---

# YouthBuild

- \$50 million in additional YouthBuild funding is provided, to be awarded competitively.
  - Activities identical to current program.
  - Decisions on these competitive grants or another SGA are forthcoming.
-

---

# Competitive Grants for High Growth Sectors

- \$750 million was provided for Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors.
  - \$500 million of that amount designated for “Green Jobs” and priority for remaining \$250,000,000 is for the health care sector.
  - Decisions on this competition and an SGA will be forthcoming.
-

# Unemployment Insurance

- Extends Emergency Unemployment Compensation through 2009.
- Allows states to increase benefits by \$25 per week.
- \$7 billion incentives for states to modernize UI, such as instituting alternative base periods for eligibility, coverage to part-time workers and workers in Workforce Investment Act (WIA) training. AK=\$15.6M
- \$500M for increased UI administrative funding. AK=\$1.1M
- Waives interest on state UI loans through 2010.
- Suspends tax on first \$2,400 of UI benefits for 2009.
- Federally funds Extended Benefits through 2009.

---

## Recovery Act Provisions: WOTC & TAA

- New Work Opportunity Tax Credit (WOTC) target groups: unemployed veterans and disconnected youth.
  - Trade Adjustment Assistance (TAA) programs reauthorized through 2010.
    - TAA expanded to service sector workers and TAA for jobs outsourced to any other country.
    - Cap on training funds increased.
    - New TAA program for trade-affected communities.
    - TAA changes become effective May 18, 2009.
-

---

## TA and Guidance Issued

- DOL has issued:
    - ❑ TEN 30-08, Initial Plans for Implementation.
    - ❑ TEGL 13-08, Allotments.
    - ❑ TEGL 14-08, Planning and Policy Guidance.
    - ❑ TEGL 15-08, Guidance for SCSEP Grantees and  
TEGL 16-08, Indian & Native American  
Supplemental Youth Program.
    - ❑ UI related guidance on UI modernization; extending  
Unemployment Compensation; the Temporary  
Federal Additional Compensation program; and  
temporary changes to the Extended Benefits.
-

---

## TA and Guidance (cont)

- Forthcoming Guidance
    - Performance and Reporting.
    - National Emergency Grants.
    - Trade Adjustment Assistance.
    - Grant Competitions.
  - All guidance released is available for downloading from the [www.doleta.gov](http://www.doleta.gov) website.
  - ETA is holding a series of Webinars which are available at [www.workforce3one.org](http://www.workforce3one.org).
  - Questions can be submitted by email to [eta.economicrecovery@dol.gov](mailto:eta.economicrecovery@dol.gov).
-

---

## Additional Information

- U.S. DOL/ETA Web Site:  
<http://www.doleta.gov/recovery/>
  - Alaska Department of Labor & Workforce Development  
<http://labor.state.ak.us>
  - John Humphrey: [humphrey.john@dol.gov](mailto:humphrey.john@dol.gov)
-