

2016

# Consolidated and Reformed Workforce Development and Literacy Act (1976): Speech 24

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## **DISLOCATED WORKERS**

**GENERAL BACKGROUND:** In 1996 it is determined there are approximately 2.5 million dislocated workers eligible for service under the current JTPA Title III, Dislocated Worker program. At the agreed upon 1996 appropriations funding level of \$1.1 billion only 588,000 of the 2.5 million eligible dislocated workers were able to be served. This is only 23.5% of the eligible population of workers.

**GENERAL TALKING POINTS:** The Title III program which targets funds on dislocated workers is repealed in both the House and Senate Workforce bills. In its place is established a single block grant which fails to set aside the appropriate funds to simply continue the current level of service to our nation's dislocated workers.

In the past few months we have seen some of the highest levels of worker dislocations being announced in our economic history. AT&T announces that through their streamlining and downsizing they will be giving the pink-slip to 40,000 workers. The merger between Chase Manhattan Bank and Chemical Bank earned rave reviews on Wall Street, but brought news that 12,000 jobs would be lost.

The numbers are numbing to the public at large but the crisis is real for the thousands facing an uncertain future. Where will they turn for help, direction and training? Though not a panacea the current Dislocated Worker program targets this population-in-crisis with resources and assistance that reaches 1/4 of those in need.

Simply having this population as one of the many to be served is not what the American workers are looking for want. We have a population which is worried about their tomorrow's and are clearly demanding that help for these laid-off workers should be a clear priority.

### **ISSUE: Earmark of \$1.3 billion for Dislocated Workers.**

**HOUSE AND SENATE:** Neither bill reflects an setting aside of funds specifically for dislocated workers.

**TALKING POINTS:** The 1996 Appropriations measure set \$1.1 billion in funds aside for dislocated workers. These funds serve 588,000 workers who are facing an economic crisis.

The President agrees with the Congress and places a very high priority on this group of workers. In his 1997 Budget request the President has asked the Congress to increase the amount of funds reserved for these workers to \$1.3 billion, an increase of \$200 million. An additional 49,000 workers would be served in 1997 as a result of this increase in funding. It is ironic that this is less than the combined lay-offs announced by AT&T and the Chase-Chemical Bank merger.

The 637,000 workers who would be served in 1997 would still only amount to 25% of the eligible dislocated workers facing the unemployment line all across the country.

The \$1.3 billion being requested for the Workforce Block Grant would apply to the implementation year of the Act, 1998. In light of the number of layoffs we have seen this

year and with no expectation that additional layoffs will be avoided it is critical to establish an specific source of funds dedicated to assisting our dislocated workers.

The Republican budgets have targeted our working men and women for program cuts and this years budget is no different. The Republican House passed Budget Resolution identified a cut of \$1.1 billion from the 1997 programs which are included in the CAREERS ACT. The program cuts come right from the programs targeting at-risk workers and particularly our dislocated workers. The House Budget Resolution reduces the Dislocated Worker program from \$1.1 billion to \$813 million, a cut of 26% in a single year. The number of participants falls from 588,000 to 435,000. These are real cuts which represents a betrayal of our commitment to the working people.

**ISSUE: Priority of service for Dislocated Workers**

**HOUSE:** The House bill includes a provision which would require Dislocated Workers and Disadvantaged Adults to receive a "priority" in service in the local area if funds are determined to be short of that needed to serve all applicants.

**SENATE:** There is no similar provision in the Senate bill. Dislocated Workers receive no priority or elevated status in the local area if funds are short or in any circumstance. Service to any dislocated worker would be dependent upon the State and local plans.

**TALKING POINTS:** Creating a priority for service for dislocated workers remains an open issue with no majority staff recommendation. The Democratic staff has stated that giving dislocated workers a priority for service, an earmark of training funds, and establishing a mandatory dislocated worker voucher program are all elements which will contribute to meeting the Democrat's need to target services and resources of dislocated workers.