

Seattle Jobs Initiative

Policy Update—May 2010

Federal Policy Developments

US Economic News

- The economy (GDP) **grew 3.2 percent** in the first quarter of 2010, the third quarter of growth in a row (third quarter 2009: 3.5 percent growth; fourth quarter 2009: 5.6 percent growth), a clear signal of the **end of the recession**.
- However, the **labor market is still struggling** to recover. While the U.S. **gained 162,000 jobs** in March 2010—the largest single month gain since March 2007—there are still **8.2 million fewer jobs** than prior to the recession (December 2007)
- The nation's unemployment rate in March 2010 held steady at **9.7 percent**. Rates remain significantly higher for certain groups:
 - African Americans: 16.5 percent
 - Hispanics: 12.6 percent
 - Whites: 8.8 percent
 - Youth: 26.1 percent
 - No H.S. Diploma: 14.5 percent
 - H.S. Diploma Only: 10.8 percent
 - College Degree: 4.9 percent
- The average length of unemployment is at a record high—more than **31 weeks**.

Federal Legislation/ARRA

- The U.S. Department of Labor and U.S. Department of Energy issued most of their **“Green Jobs” grants** in the first months of 2010, including:
 - **\$190 million** in State Energy Sector Partnership and Training Grants to teach workers the skills required in emerging energy efficiency and renewable energy industries. Awarded exclusively to state workforce boards for statewide strategies.
 - **\$100 million** in Energy Training Partnership grants for projects to train workers for the energy efficiency, renewable energy and related green industries.
 - **\$150 million** for the Pathways out of Poverty grants, to integrate training and support services into programs to create/train workers for green jobs targeted to unemployed and disadvantaged workers in high poverty areas.
- The U.S. Department of Labor announced **\$1 billion** in ARRA funding to help health care providers advance the adoption of meaningful health information technology (IT) and train workers for the **health care jobs** of the future. DOL issued more than \$225 million in health care and high growth

grants that will allow community colleges, CBOs, state workforce agencies and others to deliver training that leads to employment in a range of health care fields.

- The U.S. Department of Agriculture announced grants of up to **\$5 million** to improve access to and increase participation in Supplemental Nutrition Assistance Program (SNAP).

Other U.S. Policy Developments

- The Council of Economic Advisers released their third **report on the Recovery Act** titled "The Economic Impact Of The American Recovery And Reinvestment Act Of 2009: Third Quarterly Report." It includes an assessment of the effects of the Act through the first quarter of 2010. The full report can be found at <http://www.whitehouse.gov/sites/default/files/microsites/CEA-3rd-arr-report.pdf>
- **Congressman Jim McDermott** (D-WA), Chairman of the Subcommittee on Income Security and Family Support, held hearings in April to examine the **role of education and training in the TANF program**. The Congressman highlighted the considerable evidence pointing to the benefits of education and training in helping individuals gain employment and increase their wages, coupled with the low educational attainment of TANF recipients and the very low number (fewer than 8 percent) of TANF recipients engaged in some form of education and training. The TANF program itself limits counting vocational education toward core participation requirements.
- The **Bill and Melinda Gates Foundation** issued a new policy paper, *Three Policy Priorities for Improving Success Beyond High School*, examining the foundation's efforts to double the number of low-income adults, age 26 or younger, who earn a college degree or credential. In the paper, authors Hilary Pennington and Greg Shaw outline the foundation's ambitious strategy to work with their grantees, state and federal policymakers, and other partners to implement policy changes. The paper can be found at <http://spotlightonpoverty.com/ExclusiveCommentary.aspx?id=353be617-6662-4d08-8d2f-2a9a2f8c2fab>

State Policy Developments

State Economic News

- The **unemployment** rate in Washington State in March 2010 was **9.5 percent**, up from 9.4 percent in February.
- Washington State has **lost nearly 68,000 jobs** in the past year, and **6 percent** of all jobs since the recession began in December 2007. However, Washington **added 1,600 jobs in March**, the second month in a row with a net job gain.
- In March, the industries making the biggest job gains in Washington State include **Professional and Business Services, Transportation, Trade & Logistics**, and **Utilities**. **Construction** continued to be the industry losing the most jobs (**1,400**) during the month. Financial Activities and Education sectors also lost jobs. More than **26,000** Construction sector jobs have been lost in the past year.

State Policy Developments

- The 2010 State legislative session ended on April 13 with a Special Legislative Session required to pass a \$31 billion supplemental budget addressing a **\$2.8 billion shortfall**. This shortfall was made up with new taxes (\$182 million), federal revenues (\$618 million), significant budget cuts (\$755 million) and one-time savings/fund transfers/use of reserves (\$700 million).
- Washington's community and technical colleges received nearly **\$45 million in cuts**. On the positive side, they received an additional one-time increase of **\$17.6 million in Worker Retraining** dollars to fund 3,784 more slots in 2011, as well as an additional **\$1 million for Opportunity Grants**.

- The following **legislation** was passed in 2010 pertaining to workforce development, postsecondary education, and services/supports for low-income residents:

E2SHB 1418

Establishes a statewide dropout re-engagement system, and offers a framework for a system to provide educational opportunities and access to services for students ages 16 to 21 who have dropped out of high school or are not earning enough credits to complete a high school diploma in a public school before age 21.

SSB 6357

Directs the State Board for Community and Technical Colleges to develop policies for awarding academic credit for prior learning experiences (such as military and law enforcement training, career college training, internships, and apprenticeships).

HB 2630

Creates the Opportunity Express program. Among other things establishes automatic Worker Retraining program eligibility for recipients of unemployment insurance, food stamps, TANF, or free and reduced price lunches, and requires colleges to track participation for all. Requires colleges to give priority for Worker Retraining to programs in aerospace, healthcare, advanced manufacturing, construction, forest products or renewable energy (and other identified high-demand sectors). Asks SBCTC to create a single website to advertise the availability of workforce education and training resources as the Opportunity Express program, which helps people who want to pursue college and apprenticeships for certain targeted industries within the following tracks: (1) worker retraining for unemployed adults; (2) training programs approved by the Commissioner of the Employment Security Department, training programs administered by labor and management partnerships, and training programs prioritized by industry for unemployed adults and incumbent workers; (3) the Opportunity Grant program for low-income adults; and (4) the Opportunity Internship program for low-income high school students. Creates the Opportunity Express Account to hold funds for these designated programs, including their administration.

SHB 2684

Establishes an Opportunity Education and Employment Center within the Seattle Community College District, that will house various educational and social service providers to integrate access to education, employment, counseling, and public benefit programs. Services to include: access to ESD and WDC WorkSource services; job listing, referral, and placement; job coaching; employment counseling, testing, and career planning; unemployment insurance claim filing assistance; cash grant programs run by the DSHS; the Supplemental Nutrition Assistance Program; housing assistance; child support assistance; child care subsidies; WorkFirst and Temporary Assistance to Needy Families; state General Assistance and Supplemental Security Income facilitation; vocational rehabilitation services and referrals; Medicaid and medical services; alcoholism and drug addiction treatment and support act referrals; case management and mental health referrals; community college financial aid; support services; college counseling services related to career pathways and basic-skills resources for English language learners; high school completion; and adult basic education.

HB 3141

Modifies WorkFirst (TANF) job search requirements to require consideration of the applicant's marketable job skills, attachment to the labor force, and level of education or training when determining the length of time job search is required. Requires a reevaluation of WorkFirst to reflect consideration of research relating to family economic self-sufficiency and completion of adequate training and education programs, and development of proposal to redesign state's use of the TANF funding in a manner that makes optimum use of all funds available to promote more families moving out of poverty to sustainable self-sufficiency (above 200% FPL).

HB 2782

Security Lifeline Act. Directs DSHS to continue to develop/seek private funding for the Opportunity Portal (a user-friendly electronic tool for Washington residents to apply for public benefits). Additionally, expands the BFET program, subject to federal approval, to three additional community colleges or other community-based locations in 2010 as well as expand the BFET program capacity of the 12 currently participating community colleges. It requires colleges to seek out community organizations that can provide support services and case management to participants in the program. Finally, renames the General Assistance Program as the Disability Lifeline.

State ARRA Funding and Other News

- A healthcare worker retraining coalition, headed up by the state Workforce Board, received a \$5 million Recovery Act grant to provide training for low-wage **health care workers**, creating additional entry level health care jobs in the process. Learn more about this exciting project at: <http://www.wtb.wa.gov/HealthTrainingCoalition.asp>
- Washington State has received approximately \$16 million ARRA funds to serve about 6,400 residents in **green jobs training** programs. Included are:
 - **\$60,000** (DOL Green Capacity Building grant) to ANEW to train 100 disadvantaged women in careers such as weatherization, commercial energy efficiency and hazardous waste disposal.
 - **\$3.6 million** to the WDC of Seattle-King County (DOL Pathways out of Poverty Grant) to train 450 participants in green construction, manufacturing and weatherization.
 - **\$5.9 million** to the state Workforce Board (Dept. of Energy State Energy Sector Partnership and Training Grant) to provide training for 4,770 people statewide in high-demand occupations needed for energy efficiency in commercial and public buildings. Veterans will receive priority for service.
 - **\$3.87 million** to the Northwest Energy Efficiency Council (DOL Energy Training Partnership Grant) for the Sound Energy Efficiency Development (SEED) project to training individuals for weatherization and related occupations. Grant to be managed by WDC of Seattle-King County (SJI played an important role in landing this grant).
- **Walla Walla Community College** launched a new **Career Coach website** that blends job demand and job opening information with training programs at the college. Link to the website at the following address: <http://www.wbcc.edu/careercoach>

Local Policy Developments

Economic News for Seattle and King County

- In the Seattle MSA, the unemployment rate was **8.5 percent** in **March 2010**.

Other Local Developments

- The City of Seattle was awarded a **\$20 million** federal grant (Seattle's Neighborhood WEB Initiative) from the Department of Energy that will help get 2,000 people to work in **green jobs**, retrofitting buildings to create energy efficiency.
- Mayor McGinn launched the **Youth and Families Initiative** at the beginning of the year. The intent of the Initiative is to identify challenges youth and families face and to collectively mobilize towards solutions so that all children in Seattle can succeed. The Initiative will help shape the Mayor's agenda

on issues affecting youth and families from a child's birth to their successful career track. The effort is co-chaired by former Mayor Norm Rice, Bob Watt and Estela Ortega.

- The U.S. Department of Health and Human Services awarded **Bellevue College** nearly **\$3.4 million** as part of a national effort to advance the widespread adoption and use of **health information technology**. Bellevue College is one of five regional grant recipients that will lead a consortium of colleges to create non-degree training programs that can be completed in six months or less by individuals with appropriate prior education and/or experience.

<http://www.hhs.gov/news/press/2010pres/04/20100402a.html>