



## Federal Policy Developments

### US Economic News

- The U.S. unemployment rate in September was **9.6 percent**, unchanged from the previous month. The rate was **9.8 percent** one year ago in September 2009.<sup>1</sup>
- The following data depict U.S. **unemployment rates in September by race and education level:**
  - White: 8.7 percent
  - Black: 16.1 percent
  - Hispanic: 12.4 percent
  - Asian: 6.4 percent (not seasonally-adjusted)
  
  - Less than H.S. Diploma: 15.4 percent
  - H.S. Diploma only: 10.0 percent
  - Some College/AA: 9.1 percent
  - B.A. or Higher: 4.4 percent
- The U.S. **lost 95,000 jobs in September**. However, the private sector **added 64,000 jobs** in September; total overall job loss was primarily attributable to **159,000 jobs lost** in the public (Government) sector, many of which were temporary U.S. Census jobs.
- Most industries in the U.S. added jobs in September. The two primary exceptions are **Construction** (-21,000 jobs) and **Government** (-159,000 jobs, primarily the result of cutbacks in state and local government and the termination of temporary Census jobs).
- **Healthcare** (+24,000 jobs), **Leisure & Hospitality** (+34,000 jobs), and the **Employment Services subsector** of the Professional & Business Services (+28,000 jobs) added the most jobs in September. Healthcare has added an average of 21,000 jobs per month in 2010, and Leisure & Hospitality has added more than 100,000 jobs this year. **Manufacturing** has stalled since May after adding jobs in the first third of the 2010.

### Federal Legislation/ARRA

- The **U.S. Department of Labor** released a fact sheet in October providing initial details on the **Trade Adjustment Assistance Community College and Career Training (TAACCCT)** grant program, a part of ARRA funding which

<sup>1</sup> U.S. figures reported by the Bureau of Labor Statistics. All figures are seasonally-adjusted unless otherwise noted.



will invest \$500 million annually over a four-year period to expand training capacity for dislocated workers and other jobseekers, including disadvantaged populations. The grant solicitation will be released this fall and awards will be announced in September 2011. Individual colleges and consortia of colleges may apply for funding; proposals require inclusion of employers, and the involvement of community-based organizations and WIBs is strongly encouraged. More information can be accessed at

- The **U.S. Department of Education** awarded more than **\$141 million** to state agencies in October to improve college access. The **College Access Challenge Grant** was designed to increase college access for low-income students and help them complete their postsecondary education. Grantees are to offer information about postsecondary education benefits and planning.
- The **U.S. House of Representatives** passed a bill (**HR 4072**) that would require federally-funded job and training efforts to focus on programs that meet industry standards and skills that are in high demand. It would direct WIA-funded neighborhood training centers to focus on training services and programs for both adults and youth that lead to credentials that are locally in high demand.
- In September, the **U.S. Department of Health and Human Services** awarded **\$130 million** in grants to boost the healthcare professional workforce, providing additional training opportunities in the sector and supporting purchases of new equipment and the hiring of new faculty for training purposes.

## Other U.S. Policy Developments

- The **Food & Nutrition Service of USDA** honed its interpretation of new fiscal guidance issued in March 2010 affecting the **Supplemental Nutrition Assistance Program (SNAP) Employment & Training** program. Undersecretary for FNS, Kevin Concannon, hosted SNAP E&T providers from around the nation (including Seattle Jobs Initiative) in June to learn more about how the program is being implemented. FNS staff toured Washington State's SNAP E&T program in July. Subsequently, FNS determined that community colleges providing SNAP E&T services can only allocate costs for services provided to E&T participants that are **normally charged to the general public**. In the typical case, this means that colleges may allocate costs for tuition, books and fees, but not other costs of instruction that are funded by the state. FNS further determined that community-based organizations providing SNAP E&T services can allocate costs for services provided to E&T participants that are either charged to the public or to private funders, such as foundations.
- In September, the **Bureau of Labor Statistics** released an official **definition of "green jobs"** that it will use as part of surveys it will conduct in 2011 to identify the number of current and projected green jobs in the U.S. economy. The BLS acted at the behest of Congress, which in the wake of significant ARRA investments in green jobs wanted to establish a widely-accepted definition of green jobs in order to assess the labor market. BLS identified **two primary types of green jobs**: 1) jobs in businesses that produce goods and services which benefit the environment or conserve natural resources; and 2) jobs in which workers' duties involve making their businesses' production processes more environmentally friendly or use fewer natural resources. For more information, see



- In September, the **U.S. Government Accountability Office (GAO)** issued a new report, mandated under the Higher Education Act (HEA) reauthorization, documenting how states are collecting **employment-related information for postsecondary graduates**, outlining potential approaches to expanding data collection on the state and national level, and describing ways that certain states are working with employers to better align postsecondary education with labor market requirements. The study found that 45 states currently collect postsecondary data, but only 26 states are able to link individual postsecondary student records with state-level employment data. The challenges of linking data in this way include complying with federal privacy requirements (Federal Educational Rights and Privacy Act, or FERPA), and concerns about using employment outcome data to assess educational quality. The Obama administration has been a proponent of connecting education, workforce development and employment data to better meet the skills needs of workers and employers. Grants were awarded by the Departments of Labor and Education in May to help states implement statewide longitudinal workforce data systems.
- In September, the **U.S. Census Bureau** issued **new data on poverty in the U.S.** The number of Americans living below the Federal Poverty Line **increased by 1.1 percent** from 2008, reaching a total of **44 million residents (14.3 percent**, the highest rate since 1994). About **26 percent** of African Americans and **25 percent** of Hispanics are living below the Federal Poverty Line. Additionally, a full **33 percent** of Americans (**50 percent** of African Americans and **54 percent** of Hispanics) are living below 200 percent of the Federal Poverty Line.
- The **College Board** released a report in July sounding the alarm about the growing gap between the U.S. and other countries in terms of the number of 25- to 34-year-olds with college degrees. The U.S. used to rank first in the world in the number of degree-holders in this age group, but has fallen to 12th among 36 developed countries. The College Board's findings, including recommendations for increasing the number of college graduates, can be found at
- The **U.S. Department of Labor** launched a new Web portal in September to help jobseekers match their current skills to new careers and find out what training is needed to transition from one job to another. This online tool is titled "**mySkillsmyFuture**" and is found at
- The **Working Poor Families Project** released a new report entitled, *Widening the Doorways of Opportunity: Philanthropic Efforts to Strengthen Postsecondary Education and Skill Development Systems*. The report discusses the need for major changes to postsecondary education and the role of philanthropy in facilitating this change. The report can be accessed at:
- The new Center on Postsecondary and Economic Success at the **Center for Law and Social Policy (CLASP)** released a new report entitled *Funding Career Pathways and Career Pathway Bridges: A Federal Policy Toolkit for States*. The report/toolkit is intended to help states identify and utilize federal funding streams to develop career pathways and bridge programs and to identify and respond to policy barriers preventing effective use of this funding. The report can be found at:

# State Policy Developments

## State Economic News

- Washington State's **unemployment** rate was **9.0 percent in September**, unchanged from the previous month. The rate was **9.2 percent** one year ago in September 2009.<sup>2</sup>
- The state **lost 3,200 jobs September**. However, the private sector actually **added 1,000 jobs** in September; total overall job loss is primarily attributable to **4,200 jobs** lost in the public (Government) sector, many of which were temporary U.S. Census jobs. Over the past year, Washington State has **lost 17,700 jobs**.
- **Construction, Leisure & Hospitality, and Education and Health Services** sectors all lost a limited number of jobs in September; the **Professional and Business Services** sector lost 1,000 jobs during the month. **Manufacturing** (+900 jobs) was the sector showing the greatest job gains during the month, with smaller gains achieved in **Wholesale Trade, Financial Activities, Transportation, Warehousing, Utilities, Retail and Information**.
- During the past year, five industry sectors showed job gains: **Professional & Business Services, Education & Health Services, Retail, Information, and Wholesale Trade**. In the same timeframe, **Construction** was the hardest hit sector, losing **10,800 jobs**.

## State Policy Developments

- In August and again in September, **Governor Gregoire** announced steps to address the projected **shortfall in the current state budget and the expected budget gap for the 2011-13 biennium**. Federal emergency aid to the states legislated in early August, along with nearly \$90 million in previous cuts/savings absorbed by state agencies last year, averted the need for **immediate** drastic cuts to the state's budget. While the state has cut \$5.1 billion from its budget over the past three years, revenue collections continue to fall short of forecasts. As of August, the state had a positive **fund balance of \$72 million**, but was projected to face a **\$3 billion deficit** for the 2011-13 budget. State agencies were directed to prepare reductions of 4-7 percent for the possibility of across the board cuts starting October 1st if the September forecast/revenue receipts were lower than expected. This, in fact, turned out to be the case—in **September a \$520 million deficit was projected** for the remainder of the 2009-11 biennium. The Governor directed across the board **cuts of 6.3 percent**. Moreover, the projected **deficit for the 2011-13 biennium was increased to \$4.5 billion**. The Governor asked state agencies to submit decision packages in September describing how to fill this budget gap.
- Washington's **State Board for Community & Technical Colleges** announced that it served a **record number of students** during the 2009-10 academic



<sup>2</sup> Washington State figures reported by the Washington State Employment Security Department. All figures are seasonally-adjusted unless otherwise noted.



year (**161,000** full-time-equivalents), exceeding by **9 percent** the record set during the previous, 2008-09 academic year and by **15 percent** its state-funded targets. At the same time, the Board reported operating with funding **cuts of \$127 million** for the 2008-09 and 2009-10 academic years. The college system received an additional **6.3 percent cut** moving forward into the 2010-11 academic year (see previous bullet), bringing the two-year funding **cuts to \$167 million annually, or 21 percent**. One-time funding, such as Worker Retraining and Opportunity Grants—as well as tuition increases—partially offset those cuts.

- The 12 Washington State community colleges participating in the **Basic Food Employment & Training** (BFET) program—which provides federal matching dollars for employment and education services for residents enrolled in Basic Food (food stamps)—have had their BFET **funding reduced** for the 2011 Federal Fiscal Year as a result of new federal fiscal guidance limiting what costs can be charged to the program (see Federal Policy Developments section, above). Collectively, the colleges BFET budgets will be **reduced by 37 percent** from what was planned for the year.
- Washington State was **not** named a finalist in the national **Race to the Top** competition for U.S. Department of Education funds (**\$250 million**) for innovative and comprehensive reforms to improve the state's education system. The State submitted a proposal in June for these funds.
- Washington State Workforce Board Executive Director, **Eleni Papadakis**, as well as **Israel Mendoza**, ABE Director of the State Board for Community & Technical Colleges, were named to serve on a national advisory committee for the **Center of Postsecondary and Economic Success**. The committee is focused on increasing the number of low-income adults/disadvantaged youth who earn college credentials. See:
- In September, Governor Gregoire announced the appointment of **Paul Trause** to lead the state's **Employment Security Department** as Commissioner after the departure of former Commissioner, Karen Lee. Mr. Trause previously served as Deputy Commissioner for the agency.
- In October, Governor Gregoire and the state Department of Commerce named **29 public education institutions** in the state that will be awarded a total of **\$17 million** in grants to undertake retrofitting projects to make their schools more **energy efficient**. An estimated **660 jobs**—primarily construction jobs—are projected to be created.

## Local Policy Developments

### Economic News for Seattle and King County

- In the Seattle MSA, the **unemployment rate** was **8.6 percent in September**, unchanged from the previous month. The rate was **8.9 percent** one year ago in September 2009. The unemployment rate for King County (not seasonally-adjusted) was **8.4 percent** in September.

## Other Local Developments

- There has been no substantial change in the level of **federal recovery funds** the City of Seattle has received since Seattle Jobs Initiative issued its June 2010 Policy Update. The city has received approximately **\$106 million** in ARRA funds to date and has **spent less than \$40 million** of these funds. Most funding is directed to **transportation** (\$47 million) and **energy** (\$33 million) projects. The city is tracking how it is using its ARRA funds at its website:
- In late August, Mayor McGinn presented his **2011-2012 Proposed Budget**, which included General Fund expenditures of **\$888 million for 2011**, a reduction of \$13.7 million from the 2010 budget. The overall city budget for 2011 is \$3.9 billion. The city forecast a **\$67 million shortfall** in the General Fund for 2011. The budget closes this gap through reductions in direct services, a reduction in city staffing (nearly 300 positions), and other labor cost savings. The budget seeks to have minimum impact on public safety (police and fire) or human services (including programs serving children and youth and providing employment opportunities). The budget preserves existing programs supporting Mayor McGinn's major initiatives, including the **Youth & Families Initiative**; the **Jobs Initiative**; **Walk, Bike, Ride**; and **Sustainable Communities**. To increase revenues, the budget proposes increases in parking rates and other fees for city services (parks, libraries, courts, etc.).
- In late August, Mayor McGinn announced a new **Seattle Jobs Plan** focused on new economic development policies to create a sustainable economy and shared prosperity in the city and region. Specifically, the Plan focuses on 5 interrelated areas: **Investing in Seattle's Residents, Youth and Young Adults, Investing in Seattle's Entrepreneurs, Investing in Seattle's Economic Strengths, Investing in Next-Generation Infrastructure, and Counting What Matters** (monitoring/reporting on key economic indicators). Read the Seattle Jobs Plan

