

# Presentation to Washington State Workforce Training and Education Coordinating Board

May 15, 2025



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# Federal Funding Outlook

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- **Fiscal Year 2026 Appropriations**

- FY25 funding runs out Sept. 30, 2025
- U.S. House and Senate will start consideration of FY26 bills in coming months; mark-ups likely by end of June or July.

- **President's FY26 "Skinny Budget"**

- Proposes consolidating workforce programs (presumably WIOA Title I, among others) into new "Make America Skilled Again Grant," while cutting \$1.6B+
- Eliminates funding for Job Corps, Adult Education, and Supplemental Educational Opportunity Grants (SEOG), and significantly reduces funding for Federal Work-Study

- **Don't forget: POTUS Budget is a PROPOSAL – IT IS NOT LAW**

# Budget Reconciliation

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- **Budget Reconciliation is an expedited process that allows the Senate to bypass the need for a cloture vote – i.e., no filibuster is necessary, if followed.**
- **Reconciliation is a two-phase process:**
  - **First Phase** – The House and Senate adopt a budget resolution containing instructions for Committees to either: change laws providing for spending; change laws providing for revenues; and to change the public debt limit.
    - *This phase is finished in the current reconciliation process.*
  - **Second Phase** – The Committees respond with recommended changes in law within their jurisdictions consistent with their directives in the budget resolution. If instructions are met and agreed to, votes are taken in the respective chambers. Any differences will need to be resolved between the House and Senate.
    - *This is the current phase we are in with regard to the reconciliation process.*

# Budget Reconciliation – Continued

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- The House Education and Workforce Committee marked up their portion of the bill on April 29, 2025; the Senate Health, Education, Labor, and Pensions Committee has not introduced their version
- The Committee instructions called for \$330 billion in deficit reduction over 10 years
- The bill focused entirely on higher education & estimates a \$350 billion deficit reduction; WIOA programs, apprenticeship were untouched
- Some key changes include:
  - Capping student loan borrowing and reforming income-based repayment
  - Redefining “full-time” and “less than half-time” Pell Grant eligibility
  - Authorizing Workforce Pell Grants – aka Short-Term Pell
  - New postsecondary institutional accountability regime

# WIOA Reauthorization Update

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## **Congress Fell Short of Passing “A Stronger Workforce for America Act” in 2024**

- Initially included in Continuing Resolution but stripped at last minute
- NGA issued statement supporting “A Stronger Workforce for America Act”

## **Key Elements of A Stronger Workforce for America Act**

- Provides greater flexibility over statewide funding
- Establishes process to redesignate local areas
- Creates a new state flexibility pilot program
- \$65M for Youth Apprenticeship Grant Program, ~\$150M for Individual Training Accounts, 5-15% of Dislocated Worker national program funding for Workforce Data Quality Initiative
- Establishes new training mandate

# Recent Executive Orders of Note

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## **Preparing Americans for High-Paying Skilled Trade Jobs of the Future**

- Calls for comprehensive review of federal workforce programs and outlines the administration's goals to improve efficiencies, meet employer skill-demands, train 1 million apprentices, etc.

## **Advancing Artificial Intelligence Education for American Youth**

- Calls for integration of AI into education systems from K-12 through workforce development, while seeking to expand AI-related Registered Apprenticeships and expanding AI learning opportunities for Youth through federal workforce development programs

## **Several EOs related to the federal workforce**

- Many EOs have related to the federal workforce, many with the intent to make it easier to reduce the number of federal employees across the federal government.

# Q&A



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