

One week after President Obama's American Jobs Act (S 1660) was blocked in the Senate, Democratic leaders have been working to dissect and move segments of the comprehensive mix of tax cuts and spending proposals.

Democratic leaders have signaled a desire to break the bill into four separate bills, the first of which proposes to spend \$35 billion on grants that would support hiring and prevent layoffs of teachers and emergency first-responders. These grants would be paid for through a 0.5 percent surtax on household income above \$1 million per year. The cost of the bill and the offset have drawn criticism from Republicans and Democrats alike, a likely indicator of the jobs bill's eventual demise. A vote on this measure has been scheduled by Senate Majority Leader Reid to take place on Friday, October 21st.

While the prospects for passing a jobs bill are bleak, Congress must also take up measures that could cause problems for existing job training programs. First, a joint select committee on deficit reduction is working to produce a plan by a November 23 deadline that would reduce the deficit by \$1.5 billion over 10 years. If Congress fails to enact a plan, government programs, including job training programs, would be cut across the board starting in FY 2013.

Of more immediate concern is funding for FY 2012. Since the fiscal year started on October 1, government programs have been operating on life support under a temporary spending measure that lasts through November 18.

While congressional leaders are working to move some spending bills, the future is unclear for the bill that funds the U.S. Departments of Labor, Health and Human Services, and Education. The House version proposes to spend \$4 billion less than the Senate version and includes deep cuts to the Workforce Investment Act's funding streams for adults, youth and dislocated workers.

At a time when unemployment remains stubbornly high, Goodwill® continues to urge Congress to protect job training programs that help put people back to work during these difficult economic times.

Story from, Goodwill Industries International Inc.