

## **Legislative Update - April 12, 2001**

(Broadcast # 346)

**Department of Labor Budget Request** - Under the President's FY2002 budget proposal, released on April 9, discretionary spending programs at the Department of Labor would be cut by \$600 million, from \$11.9 billion in FY2001 to \$11.3 billion in FY2002. Mandatory spending would increase by \$5.8 billion, to \$33.1 billion.

Overall, employment and training programs would be cut by \$474 million, for a total funding level of \$6.78 billion. The Labor Department's budget summary claims that the proposed cut will not affect service levels due to the availability of large amounts of State unexpended carryover which can be used in lieu of new budget authority.

Of the total employment and training dollars, adult programs would receive \$2.28 billion, a \$257 million cut from the FY2001 enacted level. While the budget would cut Workforce Incentive Act National Programs by \$28.9 million, to \$408.8 million, the Labor Department's budget summary does indicate that this funding level would support the current participation level for Indian comprehensive services. Currently, \$55 million is provided for this program, which funds tribes and off-reservation organizations to provide services to 41,000 Native American youth and adults.

Youth programs would receive \$2.65 billion, a \$222 million decrease, with level funding for Youth Opportunity Grants and Job Corps. In FY 2002, the Department will administer three programs to address youth problems: Workforce Investment Act Youth Activities, Youth Opportunity Grants, and Job Corps. Currently, \$15 million is provided to the tribal supplemental youth employment services program through Youth Activities; \$275 million is allocated to the Youth Opportunity Grant (YOG) program; and \$1.4 billion is provided to Job Corps.

For the Office of Disability Employment Policy, a new Office that was funded in FY2001 for the first time at \$23 million, the President has requested a \$20 million increase in FY2002.

The FY2002 budget proposal includes \$134 million to provide employment and related information through One Stop Centers and the America's Labor Market Information System (ALMIS), a decrease of \$16 million below FY2001. Services include America's Job Bank, which lists about 1.5 million jobs, and America's Talent Bank, which list over 500,000 resumes. Information on occupational and career-related items can be obtained from America's Career InfoNet, and America's Learning Exchange provides access to lifelong learning opportunities. Efforts to improve access to One Stop information and services include a toll-free number for easier access to information on services and locations, and enhanced technology for serving individuals with disabilities.

Unfortunately, no FY2002 funding was requested for the Welfare-to-Work (WTW) program, under which tribes receive a one percent set-aside. This program, authorized by the Balanced Budget Act of 1997, is designed to help communities move the hardest to employ welfare recipients into lasting, unsubsidized jobs. The FY2001 Appropriation Act

gave states two additional years to spend the \$3 billion in mandatory WTW funding that was appropriated in FY1998 and FY1999.

**Department of Transportation Request** - President Bush's proposed FY2002 budget would cut current funding for the Indian Reservation Roads (IRR) program by approximately \$14 million, from \$291 million to \$277 million. In FY2001, \$275 million, plus an additional \$25 million in federal gas tax receipts, was provided to the IRR program. However, \$34 million of that total is diverted back to the federal government under the "obligation limit" for use by the states for high-priority transportation projects, and an additional \$4 million is set aside for administration. This left the actual FY2001 IRR program level at approximately \$262 million, including \$13 million for bridge repair and replacement. Therefore, it is projected that once the obligation limit is taken from the proposed FY2002 funding level, the total funding of \$277 million would be cut by approximately \$32 million.

Furthermore, the FY2002 proposed budget for the Department of Transportation would eliminate the \$25 million in gas tax receipts that went to the IRR in FY2001. These gas tax receipts are distributed through the "Revenue Aligned Budget Authority"(RABA). The FY2002 budget includes \$4.5 billion in RABA funds. Of these, \$56 million would be set aside for state border infrastructure construction and \$145 million would be set aside to increase access for individuals with disabilities. The remaining \$4.3 billion in RABA funds would be distributed among Federal-aid highway and highway safety construction programs.

**For further information, contact NCAI at (202) 466-7767.**