

American Recovery and Reinvestment Act of 2009 – as proposed January 23, 2009

The \$4 billion in funding for WIA formula programs in the bill is allocated as follows:

- \$500 million in grants to states for adult employment and training activities.
- \$1.2 billion in grants to states for youth activities, including Summer Jobs. *(Although the summary of the bill first released seemed to indicate that these funds had to be used for Summer Jobs, it is clear from the bill language that **funds may be used for year round and/or summer youth activities**. All performance measures, with the exception of the “work readiness” performance indicator, are waived for Summer Jobs. In addition, the age range for provision of youth activities is expanded to include young adults up to age 24.)*
- \$1 billion in grants to states for dislocated worker training.
- \$500 million for the dislocated workers assistance national reserve.
- \$50 million for YouthBuild.
- \$500 million in funding for competitive grants to prepare workers for “careers in the energy efficiency and renewable energy industries.”
- \$250 million in funding for competitive grants with “priority to projects that prepare workers for careers in the health care sector.”

Funding for the stimulus will be available immediately upon enactment of the bill for the remainder of PY 2008 to be spent within a two year period. The Department of Labor will be required to distribute funding within 30 days following enactment of the bill.

If workforce funding is not drawn down quickly and spent properly, it could be subject to rescission. Alternatively, these funds provide an excellent opportunity for the workforce system to prove it can be effective.