

**Workforce Development Group Summary  
 March 11, 2008**

<b>Attendee</b>	<b>Organization</b>
Lois Hummel	
Pola Jaramillo	Association House of Chicago
Jessica DeVries	Bethel New Life, Inc.
Megan Winzeler	Chicago Jobs Council
Ellen Johnson	Chicago Jobs Council
Jennifer Keeling	Chicago Jobs Council
Liz Bomgaars	Chicago Jobs Council
Jeffrey Allington	Chicago Jobs Council
Joe Chiappetta	Chicagoland Chamber of Commerce
Sam Long	DESI
Vickii Coffee	Goodwill Industries of Metropolitan Chicago
Jerome Collins	Harborquest, Inc.
Leticia Boughton	Healthcare Consortium of Illinois
Kenneth Coats	Kentech Consulting
Lois Snyder	League of Women Voters of Chicago
LeKeeta Charley	Mercy Housing Lakefront
Terri Graham	National Able Network
Michele Anderson	Neighborhood Tech Resource Center
Cleophus Lee	North Lawndale Employment Network
Laura Erving Bailey	Phalanx Family Services
Walter Benjamin	Safer Foundation
Logan Quan	The Cara Program
Brent In	U.S. Probation Office
Barbara Seales	University of Illinois Extension
Laura Pleasants	YMCA Alliance of Metropolitan Chicago

**I. Welcome and Introductions**

**II. Analysis of Bush Administration's FY 2009 Budget Request**

Jen told the group that last month President Bush released his FY 2009 budget proposal. Similar to previous years, his proposal includes deep cuts to workforce development and related programs. Most relevant to our work are cuts within the Department of Labor and Department of Education. Details regarding these cuts can be found in the February 2008 "Washington Update" produced by

The Workforce Alliance. It is available for download at [www.workforcealliance.org](http://www.workforcealliance.org). In general, this budget makes significant cuts to programs that serve disadvantaged people. Specifically:

- It reduces funding for programs that serve workers while increasing funding for 4-year college students.
- What investment the budget does make in skills training focuses primarily on the future workforce (K-12), while cutting funding to serve the current workforce.
- Funding for skills training serving special populations (such as people with disabilities, ex-offenders, and youth) is significantly reduced or eliminated.

We now have the opportunity to speak in opposition of these cuts. The Workforce Alliance says that part of the reason workforce development is not prioritized by Congress is because they do not hear enough from advocates, providers, and constituents surrounding this issue. In the coming months, Congress will hold hearings to question Administration officials about their requests and will then develop its own budget resolution. During this process, we need to make sure that the Illinois delegation hears from the workforce development community. CJC encourages each of you to contact your legislator to let them know that the President's proposed cuts to workforce development and education programs are unacceptable.

Jen asked if there were any comments or questions.

- Jeffrey said that Senator Durbin has been very receptive to hearing from workforce development stakeholders.
- Also, it is important to note that President Bush has been pushing some of these budget cuts for years (even when there was a Republican majority Congress), and they have never gotten much traction.
- There is the potential to broaden the support base for workforce development issues since we are in a recession. We can make the case that more and more people are getting left behind, and that the government must act.

### **III. Analysis of Governor Blagojevich's Proposed Budget**

Jeffrey told the group about several key components of the Governor's proposed budget. He proposes to expand the federal economic stimulus package for Illinois children. This would provide a one time \$300 per child tax credit, and would cost an estimated \$900 million in FY 2009. It is not entirely clear how he would fund this tax credit. However, the governor's office argues that the credit is needed because of the financial challenges faced by so many families. He also claims that it would help jump start the state's economy and bring in \$10-15 million in additional sales tax revenues. There have been many different reactions to this proposal. Some argue that it does not direct the funds to those who need them most, and that an expansion of the EITC would be more effective. Another group questions the viability of state government's ability to stimulate local economies because, unlike the federal government, they are supposed to balance the budget at the end of each year.

Blagojevich also suggests giving Illinois businesses a 20% tax cut provided they 1) currently pay corporate taxes and 2) they have not cut their number of employees over the last year. The cost for this proposal is \$300 million in FY 2009, and the governor's office is suggesting they fund it through the sale of future guaranteed revenues generated from Illinois' tobacco settlement. This has been done in Ohio and West Virginia.

During his budget address, Blagojevich announced a capital campaign called "Illinois Works." This is a \$25 billion infrastructure campaign that claims to support the creation of 700,000 jobs. The concept of a capital campaign is supported by both Republicans and Democrats, but there is less consensus about how to fund such a program. The Governor's office is proposing to fund it through a long-term, partial sale of the Illinois Lottery.

In addition to these broad initiatives, there is also more specific program-level information that is relevant to the workforce development community. Funding for workforce development and related programs is interspersed in the budgets of multiple state agencies.

- Illinois Department of Corrections (IDOC): Included in the budget is the expansion of Operation Spotlight and the Transitional Jobs programs by two sites. There was an overall budget increase for IDOC from \$1,343,065,000 in FY 08 to \$1,414,522,000 in the new budget. This is a \$71.5 million increase.
- Department of Commerce and Economic Opportunity (DCEO): The overall budget for DCEO has been reduced for the third straight year from \$736,505,000 in FY 07, to \$710,099,000 in FY 08, and \$695,880,000 in this budget. DCEO has lost over \$40.5 million from its budget in just the past two budget cycles. Despite these overall cuts, DCEO has included significant increases in funds for JTED and ETIP through the use of unemployment insurance funds. JTED is proposed to increase from \$1,392,000 to \$3,000,000 and ETIP would increase from 12,000,000 to \$22,000,000.
- Illinois Department of Employment Security (IDES): This is also the third year in a row that IDES has seen a budget decrease. Their budget has gone from \$284,832,100 in FY 07, to \$284,654,300 in FY 08, and \$281,201,600 in this budget. This is a loss of about \$3 million.
- Illinois Department of Human Services (IDHS): There is a modest increase in the IDHS budget, from \$5,614,948,300 in FY08 to \$5,874,551,400 in this budget. This is a 0.2% increase.
- Department of Children and Family Services (DCFS): DCFS also received a modest budget increase, from \$1,337,732,900 in FY08 to \$1,342,097,000 in this budget. This is an increase of approximately \$50 million.
- Illinois Board of Higher Education (IBHE): Overall, IBHE saw an increase from \$7,282,132,400 in FY08 to \$7,448,560,200 in this budget. However, funding for ICCB (the agency that oversees the community colleges) decreased from \$419,806,000 in FY08 to \$414,806,000 in this budget.
- Illinois State Board of Education (ISBE): ISBE received a \$300,000,000 increase in this budget. But, according to the Center on Tax and Budget Accountability, this increase does not keep up with the rate of inflation.

Speaker Madigan began a series of statewide events that will allow Illinoisans to react to the Governor's proposed budget. The dates and locations for forums located in or near Chicago are:

- South side: March 25, 5:30PM at Kennedy-King College Theatre, 6301 S. Halsted St.
- West Side: March 26, 6:00PM at Bethel New Life Auditorium, 1150 N. Lamon St.
- North Side: March 27, 6:00PM at Advocate Illinois Masonic Medical Center, Olsen Auditorium, 836 W. Wellington Ave.
- Southwest Side: March 27, 6:00PM at Oak View Community Center, 4625 W. 110th St.

#### **IV. IDHS Advocacy Update and Discussion**

Jen reminded the group that CJC met with Marva Arnold in February to follow up on the referral issues that have been ongoing between local offices and IDHS contractors (see January 2008 and February 2008 working group notes for more details). At this meeting, Director Arnold agreed to

renegotiate providers' contracts from October 2007 forward, adjusting their numbers to make them more realistic and accurate based on the numbers of referrals they receive from local offices.

- Jen asked if this negotiation has occurred yet. All IDHS providers in attendance said that it has not happened. In fact, this was the first they have heard about it. Jen said that CJC would follow up on this with IDHS.
- Jen also asked if providers have started receiving the \$75 reimbursement for the engagement of clients (see February 2008 working group notes for more details). Providers said that they have not yet received the funds, but do know that the paperwork has begun to be processed. Jen said she would continue to check in with them on this.

## **V. Updates on Other State Campaigns**

Jen updated the group on several state level campaigns that seek to address issues of concern and interest to the workforce development community.

- The Healthy Workplace Act (HB 5320) is led by Women Employed. The proposed bill allows workers to earn up to 7 paid sick days per year; one day is earned after working for 6 weeks. These sick days can be used for the employee's own illness, the illness of family member, or medical appointments. Passage of this bill will greatly help low wage workers, working mothers, and other disadvantaged populations, many of whom risk losing their jobs or wages when they need to take a day off for illness. This bill is sponsored in the House Rep. Julie Hamos.
- Heartland Alliance is leading an initiative that seeks to improve local access to income supports for people with low income levels. The proposed bill (HB 4573) will create a "no wrong door" policy for applications, allowing Food Stamp, Medical, TANF cash applications to be submitted at any local IDHS office. It will also give clients a choice of location for ongoing case management, allowing them to choose any convenient local office rather than be mandated to receive services at the local office closest to their home address. This bill is sponsored in the House by Rep. Sara Feigenholtz.
- The Shriver Center and Protestants for the Common Good are leading an effort to increase the TANF cash grant. The proposed bill will increase TANF grants by 15%, which is long overdue. The amount for TANF cash grants has only been increased once since 1994, and Illinois grant levels are much lower than surrounding states. This would cost an estimated \$15 million in FY 2009. This bill is sponsored in the House by Rep. Elga Jeffries.

Jen encouraged providers and advocates to voice their support for these important campaigns and to contact the organizations leading them for more information or to become more involved.

## **VI. WIA Youth RFP Update**

As mentioned at previous working groups, the Department of Children and Youth Services (CYS) will release a new RFP this year for WIA youth services. The standard RFP will be released on 3/17, and responses will be due approximately one month later. The bidder's conference is scheduled for 3/24. As a member of the Youth Council, I have reviewed the RFP, and it is similar to previous ones. However, there are some notable changes from previous years.

- CYs is raising the minimum contract amount to \$200,000 (up from \$143,000 last year).
- They are also requiring contractors to increase their program staffing - all programs must have a job developer and a tutor/trainer. The goal here is to provide higher quality services to youth while also meeting federal benchmarks.

- During the review process, CYS will give preference to agencies that can leverage 20% of funds from other sources.
- Regarding performance benchmarks, CYS will move to Common Measures.
- They are mandating that their contractors participate in professional development activities beyond those required by DCEO.

In addition to this RFP, CYS is also releasing a separate RFP to fund pilot programs targeting out-of-school, older youth. For these programs, the emphasis will be on partnerships between workforce development and math/literacy providers. Applicants must demonstrate how they will partner to provide these two types of services. CYS decided to pilots this program model in response to one of the new Common Measures, which tracks math and literacy gains among program participants. CYS is reserving \$500,000 total for these pilot programs, and will likely award two contracts. This RFP is expected to be released at the beginning of April.

## **VII. Announcements**

- Jen announced that the new FamilyWorks Contractors were unofficially named, and a formal announcement is expected within a week or two. In the mean time, contact her for more information.
- Jen also announced that CJC had updated its “Get the Facts” flier with new contact and download information. She encouraged providers to copy and distribute it widely.
- Kenneth Coats announced that his company, Kentech Consulting, offers expungement and job readiness screening services. Go to [www.kentechconsulting.com](http://www.kentechconsulting.com) for more information.
- Barbara Seales announced that there are two positions open at the University of Illinois Extension. Contact her for more information.