



From the office of Texas Workforce Commission

Chairman Tom Pauken

Opinion/Editorial

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TWC Chairman criticizes Washington's budget decisions

Budget will greatly reduce state's flexibility to provide workforce services

AUSTIN – Congressional funding cuts enacted through the Continuing Appropriations Act of 2011, which was signed into law April 15 by President Obama, will result in the federal government taking control of approximately \$8 million in funding that would have been administered directly by Texas. The changes will also lead to the creation of a new bureaucracy to oversee some programs currently run at the state level. The new budget affects programs paid for by the Workforce Investment Act (WIA).

“This news comes as an abrupt and surprising change to previous policy,” said Texas Workforce Commission (TWC) Chairman Tom Pauken. “We are seeing greater centralization of power in Washington, D.C. at a time when we need to be decentralizing and devolving power to the states, which have a much better understanding of the specific training needs of local communities. Removing this flexibility from the states is exactly the wrong approach.”

TWC is charged with overseeing and administering WIA funding and receives allocations from the U.S. Department of Labor (DOL) which it then passes down to 28 local workforce development boards throughout the state.

The Continuing Appropriations Act will result in a 10 percent reduction in WIA Statewide Activity Funds. These discretionary funds allow for more flexible state spending and pay for programs such as *Texas Back to Work*, WorkInTexas.com and many other customized workforce development programs.

“At a time when states need the most flexibility on how best to address the needs of their unemployed, Washington has made the bad decision to take these local dollars from the states and create a \$125 million Department of Labor slush fund,” said Pauken.

“In February I went to Washington where I met with Obama administration officials and testified before Congress and I urged them to give states greater flexibility in how we spend taxpayer dollars,” Pauken said. “I told them, ‘I understand that cuts in overall funding may need to be made. Just give the money back to the states instead of to DC bureaucrats.’”

Pauken said the message was “well received” by all whom he met with at the time but that now “we’re getting just the opposite response.” Pauken urged President Obama and the Department of Labor to reverse course and let local officials choose where tax dollars will be most effective.

The local service delivery approach is the model on which all state’s workforce services are provided to the public, and is based on the idea that local communities know how to best serve the employment needs of their citizens.

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The Texas Workforce Commission is a state agency dedicated to helping Texas employers, workers and communities prosper economically. For details on TWC and the programs it offers in coordination with its network of local workforce development boards, call (512) 463-8556 or visit www.texasworkforce.org.