



**Developing America's Workforce:  
Learning from 40 Years of Policy and  
Practice to Inform the Next Generation**

**Federal Workforce Development Legislation 1962-Present**

**1960s**

The 1960s were characterized by rapid workforce growth, economic transformation resulting from automation, and policy attention to poverty alleviation through “Great Society” programs. Some of these programs included Head Start, Medicare, Community Action Agencies, legal aid, and Food Stamps, all of which continue to this day.

**Presidents Kennedy and Johnson**

**1962: Manpower Development and Training Act (MDTA)** provided the first labor market policy framework and centralized federal role in training. It initially had a retraining focus to assist workers dislocated because of automation, but it was subsequently amended to expand services to high school dropouts, older workers, incarcerated individuals and individuals with disabilities.

**1963: Vocational Education Act** authorized federal funds for part-time employment for youth and extended the 1917 Smith Hughes Act, which provided federal matching funds to states for vocational training in vocational agriculture, home economics and trades and industry.

**1964: Economic Opportunity Act (EOA)** created Neighborhood Youth Corps, Job Corps and expanded Community Work and Training programs that allowed states to have Aid to Families with Dependent Children (AFDC) recipients work while receiving their AFDC grants.

**1968: Work Incentive Program (WIN)** provided work and training programs for AFDC recipients and by 1978 served 1 million participants with \$350 million in funding.

**1970s**

The U.S. economy experienced two recessions – one after the 1973 oil embargo – with unemployment reaching 9 percent in May 1975; and “New Federalism” policies led to revenue sharing and block grants.

**Presidents Nixon and Ford**

**1971: Emergency Employment Act (EEA)** provided \$2.250 billion to create 150,000 public service employment (PSE) slots in state and local government.

**1973: Comprehensive Employment and Training Act (CETA)** consolidated MDTA and EOA programs, provided classroom and on-the-job training and public service employment, shifted greater control to the local level and expanded involvement of employers through Private Industry Councils.

**1974: The Trade Act (Trade Adjustment Assistance)** and subsequent amendments provide benefits and reemployment services including training, job search, income support and relocation

allowances for workers who lose their jobs as a result of increased imports or a shift of production overseas.

### President Carter

**1977:** The **Economic Stimulus Appropriations Act** doubled the size of the public service employment program — from 310,000 to 600,000 jobs by the end of Fiscal Year 1977, and to 725,000 jobs for Fiscal Year 1978.

**1977:** **Youth Employment Demonstration Projects Act (YEDPA)** increased funding for Job Corps and the Summer Youth Employment Program and authorized four new youth programs under CETA, including the Youth Incentive Entitlement Pilot Projects program to encourage young people to stay in school and dropouts to return to school using guaranteed employment as an incentive. In 1978, 1.3 million youth were served with a budget of \$12 billion.

**1978:** CETA amendments and other related initiatives increased service for migrant workers, Native Americans, veterans, displaced workers, displaced homemakers, older workers; strengthened accountability; strengthened private sector involvement; and expanded apprenticeship programs.

### 1980s

The early 1980s were marked by high levels of unemployment while interest in “supply-side” economics and a belief in limited government shaped the policy environment in which program reductions and tax cuts took place.

### President Reagan

**1981:** **Omnibus Budget Reconciliation Act** gave states the option to establish workfare under the Community Work Experience Program.

**1982:** **Job Training Partnership Act (JTPA)** replaced CETA and provided services for economically disadvantaged adults and youth and dislocated workers. Under JTPA, states and localities became primarily responsible for administration, private sector involvement in program planning increased, and training for unsubsidized jobs became the priority. The dislocated worker portion of the program was revamped in 1988 by the Economic Dislocation and Worker Adjustment Act (EDWAA).

**1988:** **Family Support Act** replaced WIN with the Job Opportunity and Basic Skills (JOBS) program, which provided \$736 million for employment and training and additional resources for child care.

### 1990s

Economic growth and relatively low levels of unemployment led to a focus on labor market attachment and skill development to address employers’ needs for skilled workers.

### President George H.W. Bush

**1990:** **Carl D. Perkins Vocational and Applied Technology Education Act** and subsequent amendments support programs to develop more fully the academic, career, and technical skills of secondary students and postsecondary students who elect to enroll in vocational and technical education.

### President Clinton

**1994: School-to-Work Opportunities Act** was jointly administered by Secretaries of Education and Labor to support creation of a universal, high quality school-to-work transition system that provides all students with opportunities to participate in programs that integrate school- and work-based learning, vocational and academic education, and secondary and postsecondary education.

**1996: Personal Responsibility and Work Opportunity Reconciliation Act** replaced AFDC and JOBS with Temporary Assistance for Needy Families (TANF) introducing lifetime limits on benefits and work requirements.

**1998: Workforce Investment Act (WIA)** streamlined federal employment, adult education and vocational rehabilitation programs and improved access to these programs through one-stop career centers. WIA introduced market mechanisms to enable customer choice in training, increased performance accountability and recognized employers and workers as dual customers. WIA also authorized Youth Opportunity Grants to direct resources to high-poverty areas to provide comprehensive services designed to increase employment and school completion for disadvantaged youth.

### 2000 and beyond

While the decade started with strong economic growth, job growth lagged and the decade ended with the “Great Recession,” from which unemployment only recently has begun to recover.

### President George W. Bush

No major workforce legislation, but there were U.S. Department of Labor initiatives on sector and regional workforce strategies and linkages with community colleges.

### President Barack Obama

**2009: American Recovery and Reinvestment Act (ARRA)** nearly doubled federal funding for adult, dislocated worker and youth programs under WIA during 2009-2010 and set national priorities for the public workforce system's response to the Great Recession. Among other investments, it also increased funding for Pell Grants, the Department of Education's Race to the Top Fund and work study programs; and created the partially refundable American Opportunity Tax Credit to pay for higher education and a new TANF Emergency Fund to assist states in expanding services, including subsidized employment, during the recession.

The Recovery Act also reauthorized Trade Adjustment Assistance (TAA) programs for workers, firms and farmers; extended eligibility to new groups of workers; increased the amount of training funding allowed; and established a new program for communities affected by trade.

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**Sources:** Information about federal workforce legislation was gathered from a variety of sources including the U.S. Department of Labor's “Departmental Timeline,” <http://www.dol.gov/oasam/programs/history/dpt.htm> and Geoff Beane, *Summary of Federal Workforce Development Legislation*, Amory Street Associates, 2006, <http://www.geoffbeane.com/asa/wp-content/uploads/2009/04/history-of-federal-workforce-development.pdf>.

## Historical Perspective

- Funding levels for employment and training services have decreased significantly since the late 1970s, when measured in terms of real dollars and as a percentage of GDP.
- Since the 1960s, workforce programs have played a crucial role in responding to three major recessions in which national unemployment has risen above 9 percent.

