

WEEKLY NEWSLETTER

Strengthening Cities Through
Workforce Development



THE U.S. CONFERENCE OF MAYORS
WORKFORCE DEVELOPMENT COUNCIL

January 12, 2026



Appropriations

On Thursday, January 8, in a vote of 397-28 the House passed three appropriations bills — Interior–Environment, Energy–Water, and Commerce–Justice–Science — that will now head to the Senate. Congressional appropriators are also working to finalize a second three-bill package addressing State–Foreign Operations, Homeland Security, and Financial Services, with the goal of releasing legislative text and holding votes this week. Negotiations on the Homeland Security bill remain the most complex, reflecting unresolved funding-level differences between the House and Senate rather than partisan divisions. Discussions are ongoing to resolve those issues and allow the bill to move forward as part of the next minibus.

House Republican leaders have made procedural commitments to fiscal conservatives to secure support for the current funding package, including expanded opportunities to review, amend, and scrutinize earmarks in future bills. While passage of the current minibus is expected, these dynamics could complicate consideration of subsequent packages.

Appropriators are planning additional minibuses to move the remaining spending bills. One proposal would combine Homeland Security, State–Foreign Operations, and Financial Services, while another would pair Defense with Labor–HHS–Education and Transportation–HUD. Linking larger and politically sensitive bills is viewed as necessary to ensure bipartisan support in both chambers.

Bill text for the next package could be released soon, though disagreements over earmarks and remaining funding issues may affect the timeline. Senate appropriators are tentatively

planning two additional minibuss packages beyond the one currently advancing, with the final package expected to include the largest domestic and defense funding measures.

House Education and Workforce Committee

In 2026, House Education and Workforce Committee Chairman Tim Walberg (MI) is seeking to advance a labor and benefits agenda that builds on changes enacted under the One Big Beautiful Bill Act. At the GOP's Kennedy Center retreat last week, Walberg highlighted recent policy shifts such as reduced business regulations and expanded tax credits for employers that subsidize child care, while signaling interest in further reforms centered on flexibility and choice for employers, workers, and investors. His priorities include expanding access to retirement savings options, increasing flexibility in employee benefits, and promoting choice-based approaches to workforce policy.

Notably absent from Walberg's retreat presentation was progress on reauthorizing the Workforce Innovation and Opportunity Act (WIOA), which stalled after being removed from a 2024 year-end spending package. Walberg indicated that work on the legislation is ongoing and expressed confidence it will advance before the end of the current Congress, a view shared by former committee chair Congresswoman Virginia Foxx (NC).

While the Senate Health, Education, Labor, & Pensions (HELP) Committee has taken the lead on advancing employee stock ownership plan legislation, major labor bills from the House Education and Workforce Committee have yet to reach the House floor. Congressman Kevin Kiley (CA) has called for a floor vote on his Modern Worker Security Act, which would provide legal protections to companies offering portable benefits, arguing it could still attract bipartisan support.

This year is a critical window for the GOP to move legislation before a potential shift in congressional control after midterm elections.

Department of Education

On Friday, January 9, the U.S. Department of Education reached consensus on the final regulatory package to implement higher education provisions of the Working Families Tax Cuts Act, completing the negotiated rulemaking process associated with the law. The Accountability in Higher Education and Access Through Demand-driven Workforce Pell (AHEAD) committee agreed on a new accountability framework that applies uniformly across all postsecondary institutions and credential levels. The framework responds to concerns that some programs leave students with poor financial outcomes, contributing to loan defaults and increased costs to taxpayers.

Under the consensus proposal, the Act's "Do Not Harm" standard is aligned with existing Financial Value Transparency and Gainful Employment regulations through common earnings thresholds. Programs that fail to meet these thresholds for two out of three years would lose access to the Direct Loan program. If such programs account for at least half of an institution's Title IV loan recipients or funding, they would also lose Pell Grant eligibility.

To streamline oversight, negotiators agreed to eliminate the Gainful Employment debt-to-earnings measure, citing duplication and administrative burden. Committee participants representing a range of stakeholder groups supported the framework for its consistent treatment of programs and balance between student protection and institutional

accountability. While it's not clear when the department will publish its new regulation, it is required by law to take effect by July 1.

[Click here](#) to access the press release.

House Education and Workforce Committee Hearing

On Tuesday, January 13, at 10:15 am ET, the House Education and Workforce Committee will hold the hearing "Who's Watching the Kids? How Employers, Innovators, and Parents are Solving America's Child Care Crunch."

[Click here](#) to watch the hearing.

Unemployment Rate

On Friday, January 9, the U.S. Department of Labor (DOL) Bureau of Labor Statistics (BLS) released the December jobs report, which showed employers added 50,000 jobs last month, slowing from a downwardly revised 56,000 jobs added in November. The unemployment rate unexpectedly declined to 4.4% from a revised 4.5% in November. The US economy added just 584,000 jobs last year, which, outside of recession years, is the weakest annual job growth seen since 2003.

[Click here](#) to access the full report.

[Click here](#) to read Secretary Chavez-DeRemer's statement on the December jobs report.



U.S. Department of Labor Awards \$13.8 Million in Funding to Revitalize, Train Next Generation of America's Shipbuilding Workforce

On Thursday, January 8, the U.S. Department of Labor (DOL) announced the award of \$14 million to support the development of programs aimed at reinvigorating and rebuilding the U.S. maritime industry and workforce.

[Click here](#) to read the full press release.

U.S. Department of Labor Announces Availability of \$145 Million in Funding to Support Performance-Based Registered Apprenticeship Expansion

On Tuesday, January 6, the U.S. Department of Labor released a forecast notice announcing the upcoming availability of \$145 million in funding to support a pay-for-performance incentive payments program to further expand the national apprenticeship system. The initiative, which represents the most significant investment taken to date in response to President Trump's directive to meet and exceed 1 million active apprentices nationwide, is built on a pay-for-performance model, ensuring taxpayer dollars deliver measurable outcomes.

[Click here](#) to read the full press release.

Initial Jobless Claims

In the week ending January 3, the advance figure for seasonally adjusted initial claims was 208,000, an increase of 8,000 from the previous week's revised level. The previous week's level was revised up by 1,000 from 199,000 to 200,000.

[Click here](#) to access the full report.



RFP: One Stop Operator and WIOA Career Services Provider

The Workforce Council of Southwest Ohio (WCSO) is issuing a Request for Proposals (RFP) for an entity to manage the workforce programs and services offered through the OhioMeansJobs Cincinnati-Hamilton County Center. This "One-Stop Operator" is an essential component of the public workforce system, as described in the Workforce Innovation and Opportunity Act (WIOA). WCSO and the Cincinnati-Hamilton County OMJ Center serves the residents of City of Cincinnati and Hamilton County, in partnership with a designated Fiscal Agent, Hamilton County Job & Family Services, and a Chief Elected Official, the mayor of Cincinnati.

[Click here](#) to access the full RFP.

Occupational Exposure to Generative Artificial Intelligence in the Third Federal Reserve District

This report looks at which occupations in the Third Federal Reserve District are most exposed to artificial intelligence (AI), meaning how much AI could enhance or automate their tasks. The study focuses on metropolitan areas of Delaware, southern New Jersey, and eastern and central Pennsylvania. The authors evaluate exposure by measuring the percentage of a job's tasks that can be enhanced, expedited, or replaced by large language models and complementary software.

[Click here](#) to access the full report.

American Exceptionalism and Nondegree Credentials

Education and training systems across the world have witnessed swift growth in certificates, microcredentials, badges, certifications, and other nondegree credentials. This growth has spurred concern among many policymakers and educational leaders, who are uncertain of the value of these new credentials, including the quality of learning they represent, whether learners understand and can navigate this new landscape, and whether the skills nondegree credentials capture are recognized by educators and trusted by employers.

[Click here](#) to read the full article.

Budget Uncertainty Could Hamper State and Local Tech Skills Development

State and local leaders must find a way to carry out their digital equity plans if they want their communities to stay abreast of tech's growing role in society, experts say. With industry leaders hailing innovations like agentic artificial intelligence as the next big thing in 2026 and beyond, government leaders who do not prepare their residents for a tech-forward future could fall further into the digital divide and miss out on the benefits of a modernized workforce and economy, experts say.

[Click here](#) to read the full article.



New from Brookings

Has Pay Kept Up with Inflation?

There are various ways to evaluate recent trends in real pay (nominal pay adjusted for inflation), including using different pay and inflation measures and reference periods. These factors can lead to different conclusions about trends in real pay in the United States.

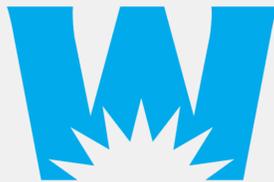
[Click here](#) to read the full article.

FAST FACT

Fact of the Week

One in four American employees report they lack opportunities for career advancement. While 63% say their organization does provide advancement opportunities, they are not evenly distributed across the workforce.

[Click here](#) to read the full article.



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