

# WEEKLY NEWSLETTER

Strengthening Cities Through  
Workforce Development



THE U.S. CONFERENCE OF MAYORS  
WORKFORCE DEVELOPMENT COUNCIL

**June 29, 2026**



## **Appropriations**

Senate appropriators scrapped their first fiscal 2027 markup, which was originally scheduled for Thursday, June 25, when Senator Mitch McConnell indicated last week that he would not return to the Senate following hospitalization earlier this month. Senate Appropriations Chair Susan Collins (ME) has not yet finalized a deal on overall spending totals with Ranking Member Patty Murray (WA), nor reached agreement to forgo amendments that could jeopardize passage of spending measures.

Despite the current impasse, Collins maintains that a shutdown is not under consideration.

Meanwhile, on Friday, June 26, the American Association of Community Colleges (AACC) and the Association of Community College Trustees (ACCT) sent a letter to leaders of the Senate Appropriations Committee and the subcommittee overseeing funding for education and job training programs outlining that funding to cover the Pell Grant shortfall is their top priority. They also asked Senate appropriators to reject the House's deep education and workforce cuts and program eliminations, and to provide at least level funding for programs such as Adult Basic Education, Strengthening Educational Opportunity Grants, Federal Work Study, and the Workforce Innovation and Opportunity Act (WIOA) formula programs.

[Click here](#) to access the letter.

## Education Secretary Resolution

On Thursday, June 25, the Education Department cancelled its Friday biweekly briefing with House and Senate appropriations committee members after Representative Suzanne Bonamici (OR), ranking member of the House Early Childhood, Elementary, and Secondary Education Subcommittee, officially introduced a resolution to impeach Department of Education Secretary Linda McMahon.

This is the first formal impeachment effort and reflects mounting Democratic concerns over efforts by the current administration to close the Department. Bonamici criticized McMahon on the House floor for dismantling the Education Department without congressional approval, slamming the administration's move to transfer programs and offices from ED to other agencies while slashing staff nearly in half.

In response to the resolution, the department referred to McMahon's social media post criticizing House Democrats for a lack of concern over what Republicans consider a failed education system that has cost taxpayers trillions of dollars.

[Click here](#) to access the resolution.

## U.S. Department of Education

On Tuesday, June 23, the Department of Education's (ED's) Office of Inspector General released a report examining staffing, contract, and grant reductions implemented at the agency between January and March 2025, finding that the changes may have affected the Department's ability to carry out certain statutorily required functions.

The report found that 15 of the 17 offices eliminated during the review period appeared to perform legal or oversight responsibilities, including functions related to federal student aid oversight and education research and data collection. The Inspector General also reported that Department staffing declined from 3,902 employees to 1,579 during the period reviewed.

In addition, the report found that the ED terminated 129 contracts valued at approximately \$1.3 billion and 90 grants totaling \$504 million. Many of the canceled contracts were associated with research and evaluation activities at the Institute of Education Sciences, while terminated grants primarily supported teacher preparation and mental health programs. During the same period, the department awarded 77 new contracts valued at \$610.4 million and 15 new grants totaling \$22 million.

The Inspector General noted that its review of the agency was limited because it did not receive full access to requested documents and staff interviews, preventing definitive conclusions in some areas. Department officials disputed aspects of the report's methodology and findings and stated that the review did not fully account for subsequent staffing and operational changes.

Although the report outlines how the current administration has rattled the agency, it can't close the Department without Congressional approval, an effort that would face opposition on the Hill, particularly in the Senate where bipartisanship is required to pass the legislation required to shutter it.

Senate Health, Education, Labor and Pensions (HELP) Committee Chair Bill Cassidy (LA), in particular, opposes the department's plan to move the Office of Special Education to the Department of Health and Human Services (HHS), indicating that he thinks it would be better managed by the Department of Labor. Accordingly, at a committee hearing last week Cassidy pledged to work with Senator Tim Kaine (VA) to introduce legislation blocking the transfer — a measure Kaine says he's confident would get bipartisan support.

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

## **SKILL Act**

On Monday, June 22, Congressman Sam Liccardo (CA) announced the Supporting Knowledge Through Industry-Led Learning (SKILL) Act, which aims to encourage private-sector investment in workforce training programs at community colleges, public colleges, and universities. It would provide tax incentives to employers that partner with higher education institutions to develop degree, certification, apprenticeship, internship, and other work-based learning programs aligned with workforce needs.

The bill would authorize \$500 million annually in tax credits, allocated to states on a per-capita basis. Eligible investments would include curriculum development, skills assessments, internships, registered apprenticeships, laboratory facilities, and donations of cash, equipment, or professional services. Employers would be eligible for a \$2,500 tax credit for each student who completes a qualifying program and an additional \$2,500 for each program graduate they hire.

The legislation aims to strengthen workforce development partnerships and help prepare workers for labor market change associated with emerging technologies, including artificial intelligence.

[Click here](#) to access a press release, full text of the bill and one-pager on the SKILL Act.

## **The Pell Grant Preservation and Expansion Act of 2026**

On Tuesday, June 23, House Education and Workforce Committee Ranking Member Bobby Scott (VA), along with Congressman Mark Pocan (WI) and Senators Mazie Hirono (HI), Patty Murray (WA), Jack Reed (RI), and Sheldon Whitehouse (RI) introduced the Pell Grant Preservation and Expansion Act of 2026. The legislation would strengthen and expand the federal Pell Grant program by increasing the maximum award from \$7,395 to \$15,000 over six years, indexing future award levels to inflation, and providing mandatory funding to help ensure the program's long-term stability. It would also expand eligibility for Pell Grants, including extending access to DREAMers and restoring lifetime eligibility to 18 semesters.

[Click here](#) to access the full text, fact sheet and press release on the legislation.

## **House Education and Workforce Subcommittee Hearing**

On Wednesday, June 24, at 10:15 a.m. ET, the House Education and Workforce Subcommittee on Higher Education and Workforce Development held the hearing "Workforce Rewired: Modern Apprenticeships for a Modern Economy." Witnesses for the hearing included Jamie Angell, Senior Director of Apprenticeships and Transitional Programs, Caliber; Joe Ross,

President, Reach University; John Ladd, Senior Advisor, Center for Apprenticeship & Work-Based Learning, Jobs of the Future; and Natasha Sherwood, Director, Chapter & Workforce Development, Independent Electrical Contractors.

[Click here](#) to learn more and access a link to livestream the hearing.

## **AI Jobs Initiative**

On Thursday, June 25, a bipartisan group launched a new nonprofit called RAISE US to help American workers adapt to artificial intelligence — one of the largest private efforts to address AI's potential to trigger widespread job losses. Supported by \$500 million in funding from tech and other interests, the effort is led by two former governors, Democrat Gina Raimondo and Republican Eric Holcomb, who raised the funds from AI companies, major corporations and philanthropies. To kick off the work, the funding will seed pilot programs in a number of states in an effort to ease the economic impact on workers displaced by the AI boom.

RAISE US will work with corporate donors including Anthropic, OpenAI, Amazon, Microsoft, Bank of America, General Motors and Eli Lilly to develop and implement programs to retrain workers for new roles as a means to avoid widespread layoffs.

Partners for the group are bipartisan with broad political reach and include Maryland Governor Wes Moore, Arkansas Governor Sarah Huckabee Sanders, Utah Governor Spencer Cox (R) and Connecticut Governor Ned Lamont (D) are also on board.

In its first year, the effort will expand "service year" opportunities for young people in healthcare or education and update unemployment insurance programs to help laid-off workers start businesses with AI. The pilots will be funded with money from RAISE US and the participating states.

The organization's board of directors includes AFL-CIO President Liz Shuler, along with Blackstone CEO Stephen Schwarzman; Silicon Valley philanthropist Laurene Powell Jobs; former Commerce Secretary Penny Pritzker; and former House Speaker Paul Ryan, among others. Former Deloitte executive Janet Foutty is joining as president of corporate partnerships.

The former governors maintain that key U.S. institutions and programs require reform for a workforce facing rapid technological change. According to Raimondo and Holcomb, the nation's schools are not producing enough workers to meet employer needs, and unemployment insurance was not designed to serve people who need to switch careers repeatedly.

RAISE US intends to draw down its \$500 million over the next three to four years while continuing to raise funds with a target of \$1 billion in total donations. The group is also standing up an internal policy lab, which won't take private funding, to examine other solutions.



# New from DOL/ETA

## **State Employment and Unemployment Summary**

On Tuesday, June 23, the U.S. Department of Labor (DOL) Bureau of Labor Statistics (BLS) released the State Employment and Unemployment Summary that showed, in May, unemployment rates were lower in 6 states, higher in 2 states, and stable in 42 states and the District of Columbia. Nonfarm payroll employment increased in 2 states and was essentially unchanged in 48 states and the District.

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

## **Initial Jobless Claims**

In the week ending June 13, the advance figure for seasonally adjusted initial claims was 226,000, a decrease of 4,000 from the previous week's revised level. The previous week's level was revised up by 1,000 from 229,000 to 230,000. The 4-week moving average was 223,250, an increase of 4,000 from the previous week's revised average.

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



## **A 'Bottom-Up' And 'In-House' Approach To AI Workforce Training Gains Traction In San Jose**

As technology like artificial intelligence continues to capture governments' interest in the effort to drive efficiency and enhance service delivery, San Jose, California, has recognized that a tech-ready workforce is a critical first step to doing so.

The California city employs approximately 7,000 people, yet houses nearly a million residents who rely on the government's systems, services and operations, San Jose's chief innovation officer and budget director, Stephen Caines, told Route Fifty. For the city's "lean" staff to get ahead of residents' growing and evolving needs, officials see AI as a valuable force multiplier but recognize that many workers lack the tech experience and digital background necessary to optimize AI tools, he explained.

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

## **The Public-Sector Talent Marketplaces that Will Fail**

State and local governments are investing millions into artificial intelligence-powered workforce platforms, talent marketplaces and career navigation tools. Many of them will quietly fail within three years, not because the technology is broken, but because the systems behind them were never designed to maintain trust over time.

A workforce platform can look successful before it has helped anyone. It can look great and function well and be delivered on budget and on time. Then it collides with real people and real data. A worker uploads a resume and the analysis is wrong, the job recommendations are weak after a long onboarding, a posting is a dead end, a training program is closed, or the cognitive load is so high the worker never begins.

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

## **Governor Abbott Issues Agency Directives to Prepare Texans for High-Demand Jobs**

On Monday, June 22, Texas Governor Greg Abbott announced a series of agency directives to strengthen workforce development and help more Texans access high-demand, high-paying jobs in the trades and other critical industries. State agencies will take immediate action to strengthen Texas' workforce development system and ensure Texans are prepared to fill the state's growing number of jobs in these high-demand fields.

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

## **Inside Indiana's Cybersecurity Education Expansion**

Last month, Indiana launched an initiative to expand cybersecurity education across its K-12 schools, to connect its students with colleges, careers and — in a national first — military service. The effort expands access to The College Board's Advanced Placement Cybersecurity course, as well as Project Lead the Way's cybersecurity courses, and it is led by the Indiana Department of Education, the Indiana Cyber Network, the Indiana National Guard and various other organizations, including business groups, academic institutions.

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



# Reports & Articles

## **New from New America**

### **Moving Special Education from the Education Department Will Harm Millions of Students with Disabilities**

The Trump administration's decision to move special education out of ED to the Department of Health and Human Services (HHS) will turn back the clock on decades of progress and weaken protections for millions of students with disabilities. Administering the Individuals with Disabilities Education Act (IDEA) demands deep, education-specific expertise, robust oversight, and consistent guidance to states and school districts.

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

## **New from Brookings**

### **America's Rural Future: Eastern Kentucky Site Visits Highlight Locally Led Recovery, Main Street Reinvestment, And Civic Institutions Anchoring A Region In Transition**

America's Rural Future: The Brookings-AEI Commission on U.S. Rural Prosperity recently visited Eastern Kentucky as part of its two-year, bipartisan effort to develop policy recommendations that strengthen rural communities across the country. Throughout the visit, one message was clear: workforce development is essential to helping rural communities adapt to economic change, including the transition away from coal, and create lasting opportunity. Local leaders emphasized that preparing workers for good jobs requires more than education and skills training. It also means addressing the challenges that prevent people from entering and staying in the workforce, including substance use recovery, affordable housing, reliable transportation, and long-term disaster recovery. Together, these investments help build stronger communities, support employers, and create pathways to sustained economic growth and transition.

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

# FAST FACT

## Fact of the Week

A new survey from Zety, a résumé builder, found that YouTube and Instagram are now the top platforms where Gen Z workers seek career advice, cited by 80% and 73% of respondents respectively. LinkedIn lagged behind, with just 26% of the 919 Gen Z workers surveyed saying it was their go-to source.

[Click here](#) to access the survey.



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