

WEEKLY NEWSLETTER

Strengthening Cities Through
Workforce Development



THE U.S. CONFERENCE OF MAYORS
WORKFORCE DEVELOPMENT COUNCIL

March 2, 2026



Appropriations/Earmarks

On Wednesday, February 25, House Appropriations Chairman Tom Cole (OK) released guidance for the upcoming FY27 spending cycle indicating House Republican appropriators plan to reintroduce limited earmarks in the Labor-HHS-Education bill after a three-year ban. House Republicans eliminated earmarks from that bill after gaining control of the House in the 2022 midterm elections, while the Senate has continued to allow them. The FY26 Labor-HHS-Education measure included nearly \$1.4 billion in earmarks, all from the Senate-designated funding.

The House proposal would allow community project funding only within the Health Resources and Services Administration account, primarily supporting rural hospitals, rural clinics, and Federally Qualified Health Centers. This is narrower than Senate policy, which permits a wider range of health and education-related entities to receive earmarks. The House guidance also adds restrictions prohibiting funding to organizations that perform or support abortion services, conduct embryonic stem cell research, or provide gender-affirming care, which are not included in Senate policy.

House lawmakers would be allowed to request up to 20 projects each, up from 15, while maintaining the overall earmark spending cap at 0.5% of total federal funding. Supporters say this provides more flexibility to address local needs, particularly in rural health care, while some Republicans remain opposed to earmarks altogether.

The House proposal represents a partial shift toward the Senate approach but still maintains tighter limits on the number of eligible programs, types of facilities, and range of funding requests. Senate guidance for the upcoming cycle has not yet been released.

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

U.S. Department of Labor Independent Contractor Rule

On Thursday, February 26, 2026, the U.S. Department of Labor (DOL) released a proposed rule that would revise the framework used to determine whether a worker is classified as an employee or an independent contractor under the Fair Labor Standards Act (FLSA). This rescinds the 2024 final rule and returns to an approach largely aligned with the standard adopted in 2021. The public comment period is open through Tuesday, April 28, 2026, and the rule could be finalized later this year.

If finalized, the proposed rule retains the “economic reality” test, which courts have used for years to decide whether a worker is an independent contractor or is dependent on an employer. It puts the most emphasis on two main questions: how much control the company has over the person’s work, and whether the worker has a real chance to make a profit or suffer a loss based on their own decisions and investments. If both of those point clearly in the same direction, that will usually determine the classification. Other considerations — such as how skilled the work is, how long the relationship lasts, and whether the work is central to the company’s business — can still be reviewed, but they carry less weight. The proposed rule also stresses that what happens in practice matters more than what is written in a contract.

The rule further explains that simply requiring someone to follow the law, meet health and safety rules, carry insurance, or complete work by certain deadlines would not, by itself, mean the worker must be treated as an employee — which departs from the Biden-era rule as well, which states that several of these things could be considered evidence of control in appropriate circumstances.

DOL stated that the proposed rule’s updated classification test would also apply under the Family and Medical Leave Act (FMLA) and the Migrant and Seasonal Agricultural Worker Protection (MSPA) Act, which rely on similar definitions of employment. DOL estimates the change could result in 1 to 3 percent more workers being classified as independent contractors compared to the 2024 rule.

Independent contractors are not covered by federal minimum wage, overtime, unemployment insurance, or workers’ compensation protections under FLSA. As a result, the proposed rule could have significant implications for industries that rely heavily on contract labor, including construction, transportation, home health care, agriculture, warehousing, and app-based services.

On the same day, the National Labor Relations Board (NLRB) finalized a rule reinstating its February 2020 joint-employer stance and formally withdrawing a broader rule adopted in November 2023. The new rule was published in the Federal Register and issued without a new notice-and-comment period because the board determined that additional public comment was unnecessary because the 2023 rule never became operative and its appeal had been dismissed.

Under the reinstated standard, an entity is a joint employer only if it exercises substantial direct and immediate control over essential terms and conditions of employment. Those terms are limited to wages, benefits, hours, hiring, discharge, discipline, supervision, and direction.

Indirect control or unexercised contractual authority alone is insufficient to establish joint-employer status, and the burden of proof rests with the party asserting the relationship. The withdrawn 2023 rule would have applied a broader test based on authority to control, even if not exercised. The reinstatement returns to a narrower standard focused on actual, direct control.

At the same time, House Republicans are trying to advance legislation addressing joint-employer liability, an issue that affects franchisors and franchisees. Congressman Nick LaLota (NY) expressed support for Congressman Kevin Hern's (OK) legislation, the American Franchise Act, over that backed by House Education and Workforce Chairman Tim Walberg (MI), which failed to advance to a floor vote following opposition from some GOP members.

[Click here](#) to access the DOL full press release and read the proposed rule.

[Click here](#) to access the NLRB final rule.

Senate HELP Committee/Department of Education

On Thursday, February 26, during a Senate Health, Education, Labor, and Pensions (HELP) Committee markup of several of education and health bills, lawmakers from both parties questioned the Administration's efforts to move programs out of the U.S. Department of Education (ED) and called for greater transparency and congressional oversight. Concerns were raised about moving education-related responsibilities to other federal agencies.

Democrats introduced an amendment that would have prevented the Department of Education from transferring its responsibilities to other agencies, arguing that such changes require congressional approval and that some education programs may be moved to agencies without the expertise to administer them. The amendment was ultimately tabled.

Senate HELP Committee Chairman Bill Cassidy (LA) said he is working to schedule a hearing with Secretary Linda McMahon so lawmakers can discuss the Administration's plans for interagency program transfers. Cabinet officials typically appear before congressional committees during annual budget and oversight hearings.

Last week, the Trump Administration continued its effort to shift responsibilities out of the Department of Education, announcing that oversight of school safety grants and foreign funding disclosures for universities will be reassigned to other federal agencies. The Department of Health and Human Services will take over work related to school shootings and student mental health programs, while the State Department will assist in monitoring foreign gifts and contracts to higher education institutions. ED has described these changes as efforts to improve efficiency by leveraging expertise across agencies.

Some Republicans expressed partial support for the concerns raised about program transfers but said broad restrictions could limit flexibility. Lawmakers suggested that oversight hearings with the department may be a more effective way to address concerns than legislative amendments to individual bills.

These continued moves follow Congress's approval of a \$1.2 trillion FY26 funding package that includes language stating that the Department of Education does not have the authority to transfer its statutory duties to other agencies and requires the department to maintain the staffing necessary to fulfill its legal responsibilities. Administration officials have not yet provided details on how the changes will be implemented or when the transitions will take effect. Additional guidance is expected in the coming weeks.

[Click here](#) to access the Senate HELP Committee markup.

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

U.S. Department of Education Interpretive Rule

On Thursday, February 26, the U.S. Department of Education (ED) issued an interpretive rule aimed at reducing barriers for new accrediting agencies seeking federal recognition. The rule is intended to increase competition among accreditors by making it easier for new institutional and programmatic accreditors to enter the market and challenge existing structures in higher education accreditation. It clarifies parts of the recognition process, including when accreditation activities are considered to begin for meeting regulator requirements and setting target timelines for reviewing applications. ED aims to determine basic eligibility within 60 days and complete full reviews within six to 12 months. The policy is nonbinding and is part of broader efforts to reform accreditation by encouraging competition, improving focus on student outcomes, and expanding opportunities for new accrediting agencies to enter the market.

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

House Committee on Small Business Hearing

On Tuesday, February 24, the House Committee on Small Business held the hearing “Career and Technical Education: Developing the Future of Main Street Success” to examine how Career and Technical Education (CTE) programs are a viable pathway to the workforce and how more skilled workers could reduce the labor shortage hurting small businesses.

[Click here](#) to access a video of the hearing.

U.S. Department of Housing and Urban Development

On Friday, February 27, the U.S. Department of Housing and Urban Development (HUD) released a proposed rule that would allow most public housing authorities and certain landlords participating in federal housing programs to establish work requirements and time limits for nonelderly, nondisabled households receiving assistance. The rule will be open for public comment for 60 days.

Currently, only a limited number of housing authorities participating in HUD’s Moving to Work demonstration program may implement employment-related policies. The proposed rule would expand that authority to most public and federally assisted housing providers, except those in receivership or designated as troubled performers by HUD. The proposal applies to major HUD housing programs, including public housing, the Housing Choice Voucher program, Project-Based Vouchers, and Project-Based Rental Assistance. Together, these programs support more than four million households nationwide.

Under the proposal, housing providers would have discretion to design work requirements and term limits for eligible households. The rule would generally maintain protections for elderly and disabled residents, while allowing fewer exemptions for time limits than for work requirements. HUD Secretary Scott Turner said the proposal is intended to expand access to

housing assistance for families on waiting lists and promote employment among working-age residents.

Housing advocacy organizations have raised concerns that work requirements and time limits could increase housing instability for low-income households and affect broader housing markets.

[Click here](#) to access the proposed rule.



U.S. Department of Labor Announces \$81 Million to Support Training, Employment for Formerly Incarcerated Individuals

On Wednesday, February 25, the U.S. Department of Labor (DOL) announced the availability of approximately \$81 million in grant funding to assist people reentering their communities after being incarcerated by helping them gain experience and secure employment in skilled trades and high-demand industries. The Reentry Employment in Skilled Trades, Advanced Manufacturing, Registered Apprenticeships, and Training initiative grants will enable organizations to provide training programs to formerly incarcerated individuals in skilled trades and high-demand industries.

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

U.S. Department of Labor Report to Congress Shows Continued Growth of Employee Ownership, Details Initiative to Promote Worker-Owned Businesses

On Monday, February 23, the U.S. Department of Labor announced that its Employee Benefits Security Administration issued a report to Congress providing updates on its initiative to promote employee ownership, increase workers' financial security, and enhance their participation in the workplace.

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

Initial Jobless Claims

In the week ending February 21, the advance figure for seasonally adjusted initial claims was 212,000, an increase of 4,000 from the previous week's revised level. The previous week's level was revised up by 2,000 from 206,000 to 208,000.

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



Workforce Connections Podcast

Season 6 of the Las Vegas Workforce Connections (WC) Podcast features WDC Past President and Workforce Connections Executive Director Jaime Cruz interviewing a very special guest, Marc Badain, president of the Athletics of Major League Baseball. Marc shares his journey through sports leadership and reveals how legacy, innovation and community are shaping the future of Major League Baseball and professional sports in Southern Nevada.

[Click here](#) to access the podcast episode.

San Antonio's Ready to Work Program Expands Support Beyond Training with Childcare Assistance

More than 4,000 San Antonio residents have taken part in the city's Ready to Work program, which helps adults train for higher-paying careers. But for many, one big barrier has been getting the training while also caring for their children. The city now says it has an answer to that problem — child care support built into the program.

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

Mayor Mamdani Announces \$20 Million Investment in Strong Foundations Initiative to Expand Perinatal and Early Childhood Mental Health Programs for Families

Mayor Zohran Kwame Mamdani announced that the NYC Health Department would receive a \$20 million investment over three years for the groundbreaking Strong Foundations initiative as part of the Fiscal Year 2026 Budget. Strong Foundations will expand eligibility for the NYC Nurse-Family Partnership (NYC-NFP) to include parents with more than one child and allow enrollment later in pregnancy. As part of the three-year investment, the NYC Health Department will connect more families to visits from registered nurses that support healthy pregnancies and provide mental health resources for parents and young children while growing the mental health workforce. The funding will also expand training and workforce opportunities for early childhood mental health professionals, by establishing a three-year fellowship to develop a pipeline of clinicians with perinatal and early childhood experience.

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

High-Skill, High-Wage...and Now High-Stakes

When Congress inserted a confusing phase in the Carl D. Perkins Career and Technical Education Act (Perkins) in 2018, the result was mostly inconsequential for the program, which distributes \$1.4 billion in formula grants annually to states, school districts, and community colleges to support career and technical education (CTE) programs. Now, however, that phrase has become high-stakes in another federal program, Workforce Pell, because lawmakers cross-referenced it as the standard states can use to approve programs for the new funding.

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

Building Bridges, Not Just Programs

For decades, higher education's relationship with workforce development has been characterized by a kind of polite distance. Universities offered degrees. Employers hired graduates. And the space between credential and career was left to the margins of institutional life: scattered across units, underresourced relative to its importance and rarely treated as central to the academic mission.

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

Energizing the Skilled Trades Pipeline Through Public-Private Partnerships

When local businesses and community colleges join forces, everyone wins. Partnerships just make sense, as they create a shared purpose between public and private organizations: building a dynamic and sustainable workforce pipeline. It's a perfect match, because businesses need skilled workers, and community colleges need students to gain hands-on experiences.

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

Education Groups Push \$2.5 Billion Plan to Rebuild Teacher Preparation

Education groups led by the nation's main membership organization for teacher colleges are calling for a large congressional investment in overhauling and rebuilding federal support for teacher-preparation pipelines, following years of disruption from falling enrollment in teacher prep and upheaval in existing federal programs.

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

Administration Supports Career-Technical Education as Some CTE Grants End

Victor Cifuentes wants to be an engineer. If all goes according to plan, he'll be a first-generation college student. His parents encourage him to attend college, but "I don't get much advice from them [about] my career field," said Victor, 16, a junior at Donald M. Payne Sr. School of Technology, a public high school in Newark, N.J. Instead, Victor has had crucial

college and career preparation as one of 43 students in the federally funded Career-Connected High Schools program in the Essex County Schools of Technology district.

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

Black-Owned, Woman-Led Landscaping Business Creates Pathway for Employment in Indy

Spring is coming, which means landscaping workers are getting down in the dirt and using their hands. Kirsten Norwood finds solace in being outdoors. She's the Executive Chair and Chief People Officer of Greene Thumb Landscape, a residential and commercial landscaping company that's all about restoring pride in our community's green spaces.

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



New from U.S. National Science Foundation

From Research to Practice: Building AI Systems that Transform STEM Learning and Workforce Development

On Tuesday, March 10, from 1:00 - 2:00 p.m. ET, the U.S. National Science Foundation will host the online event "From Research to Practice: Building AI Systems that Transform STEM Learning and Workforce Development."

[Click here](#) to learn more and register for the event.

New from U.S. Department of Education

Blog Post: Employer-Educator Partnerships and Industry Credentials Can Transform America's Workforce

Young Americans are constantly told that the only reliable path to the American Dream runs through a four-year college degree. That's a myth. Millions of students aspire to excel in fields that don't require a bachelor's degree at all. Take a talented high school student who's already mastering sauce and knife skills in culinary arts class. The most efficient route to go from the classroom to the kitchen isn't a college lecture hall, it's a hands-on, industry-led program with specialized training.

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

New from National Governors Association

Innovative Solutions to Child Care and Early Childhood Priorities

Governors' recent early care and education (ECE) focus has predominantly centered on building child care supply and increasing affordability and accessibility of programs across their states and territories. These efforts focus on addressing workforce shortages, expanding provider capacity, and reducing administrative burden for families and providers. As federal funding across programs continues to shift, Governors are prioritizing innovative and sustainable solutions to advance their ECE priorities.

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

New from Brookings

The STEM Teacher Workforce in High-Need Settings: Evidence on Trends, Challenges, and the Role of the Noyce Program

Increasing student performance in math, science, and other STEM subjects is an urgent—but often overshadowed—objective for policymakers, often tied to economic growth, international competitiveness, and national security. An effective and robust STEM teacher workforce is critical in providing students access to a strong STEM education.

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



Fact of the Week

The 2025 World Economic Forum Future of Jobs Report projects that while about 92 million jobs could be displaced by 2030 due to AI and automation, approximately 170 million new jobs may be created, resulting in a projected net gain of 78 million jobs globally.

[Click here](#) to read an article on the report.



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