



Labor and Economic Development

STANDING COMMITTEE

NATIONAL CONFERENCE of STATE LEGISLATURES

Federal Update | September 5, 2017

NAFTA Renegotiation Begins in Washington, D.C.

Representatives from Mexico, Canada and the U.S. met Sept. 1-5 in Mexico City for the second in a series of meetings to renegotiate the North American Free Trade Agreement (NAFTA). U.S. Trade Representative Robert Lighthizer, Canadian Foreign Affairs Minister Chrystia Freeland and Mexican Secretary of the Economy Ildefonso Guajardo were in attendance. The three parties released a brief [joint statement](#) shortly after their first NAFTA renegotiation meeting on Aug. 16, stating that the countries made "detailed conceptual presentations," started developing texts and have engaged a wide range of stakeholders in the private sector, labor groups, legislative representatives, and state/provincial officials. The statement did not provide details on the subjects or takeaways of the conversation.

Generally, Mexico and Canada have indicated an interest in preserving NAFTA as is, especially regarding duty-free trade, and in updating the agreement in some areas such as e-commerce. As for the U.S., the Trade Representative's office in July released a [summary](#) of NAFTA renegotiation objectives that outline a range of priorities from trade deficit reduction to conditions for trade in services. According to the statement, negotiators are scheduled to reconvene later this month in Canada and then back to Washington in October.

NCSL Urges Senate to Pass Career and Technical Education Reauthorization

NCSL submitted a [letter](#) to the Senate on July 10 supporting legislation reauthorizing the Carl D. Perkins Career and Technical Education Act. The bill, [H.R. 2353](#), passed the House by voice vote on June 22 and is pending consideration by the Senate. Last reauthorized in 2006, the bipartisan bill outlines how the federal government will spend \$1 billion annually in funding on career and technical education programs and includes a yearly 1.38 percent increase in funding for the next six years. The bill aligns CTE program standards with the Workforce Innovation and Opportunity Act (WIOA) and the Every Student Succeeds Act (ESSA) while strengthening the existing prohibitions on a federal curriculum and mandates. It provides states greater flexibility to allocate funding to target state specific education and economic needs.

President Trump's National Apprenticeship Week

President Donald Trump signed an [executive order](#) on June 15 to increase funding for apprenticeship programs and scale back related government oversight. The executive order more than doubles current spending levels for apprenticeship programs from \$90 million to nearly \$200 million per year, which is a shift from the 36 percent funding cut to workforce training programs included in the president's 2018 budget. The regulation reduction is designed to allow industries more leeway in creating their own apprenticeship programs. Agencies are also directed to review job training programs for potential reduction in those deemed ineffective, and redirect funds to apprenticeship grants. Officials also

indicated they want to allow students the flexibility to use federal student aid dollars for apprenticeship programs in addition to four-year universities.

The executive order marked the culmination of the president's National Apprenticeship Week, during which the administration promoted workforce development and apprenticeship programs. Trump visited Waukesha County Technical College on June 13 with Labor Secretary Alexander Acosta and Wisconsin Governor Scott Walker. The President had planned to speak at the Department of Labor the following day on these issues, but in the wake of a [shooting](#) that morning at a congressional baseball game practice, the speech was cancelled.

House Passes National Defense Authorization Act Legislation

The House version of the National Defense Authorization Act (NDAA), [HB 2810](#), passed the House on July 14 while the Senate version, [SB 1519](#), passed the Senate Armed Services Committee on July 10. The Senate version authorizes a base defense budget of \$632 billion, with \$60 billion for Overseas Contingency Operations (OCO). The House version authorizes \$613.8 billion in base defense funding, with \$74.6 billion for OCO. [According to](#) bill sponsor Senator John McCain, R-Ariz., the Senate version seeks to "reorganize the Department of Defense, spur innovation in defense technology, and improve defense acquisition and business operations." The issue of Base Realignment and Closure (BRAC) will be one to watch as the NDAA progresses. While the House version explicitly prohibits the Pentagon from carrying out a new BRAC in 2018, Senators McCain and Reed have introduced an [amendment](#) to the Senate version allowing for one. A similar amendment offered by Rep. Tom McClintock, R-Calif, failed in the House before HB 2810 passed the full chamber. Meanwhile, the Trump administration has [requested](#) Congress authorize a new round of BRAC, saying the Defense Department has about 20 percent excess infrastructure capacity and that a BRAC round could save an estimated \$2 billion annually.

NCSL Legislative Summit Recap

NCSL held its annual Legislative Summit Aug. 6-9 in Boston, during which the Labor and Economic Development (LED) Committee passed three new or updated policies. At the committee's business meeting, members passed a new policy directive on Military and Veterans, a new resolution on veterans' medical care in Compact of Free Association (COFA) nations, and an amended version of an existing EB-5 resolution. All amendments and policies were passed unanimously by voice vote both in committee and at the full conference business meeting.

The EB-5 program will be on Congress's to do list this month, as it was set to expire in late April, but was extended until Sept. 30. Congress will have to decide whether to reauthorize the program in its current form, allow it to expire, or reform the program in favor of measures that address potential misuse of funds and a lack of transparency that have characterized some projects. Amendments to NCSL's EB-5 policy include stronger reform language relating to job quality and recognition of state-level labor laws.

The COFA resolution highlights the importance of health care options for veterans living in COFA nations. The policy urges Congress and the Department of Veterans Affairs to work together to address a lack of accessibility in high-quality health care for veterans living in COFA nations within their respective communities.

The Military and Veterans policy maintains the existing text of the LED Committee's resolution on Military and Veterans but reauthorizes the policy as a directive. This allows the policy to remain on the books for

four years rather than requiring annual reauthorization. All committee policies can be found on the Labor and Economic Development Committee [page](#) on NCSL's website.

Summit 2017 Resources:

- Special Briefing - Ensuring States are Globally Competitive: [Presentation](#) by Nancy McLernon, Organization for International Investment (OFII).
- Military & Veterans Affairs Economic Outlook, Opportunities and Impacts: [Presentation](#) by Tara Butler, U.S. Department of Defense, Office of Economic Adjustment.
- Military & Veterans Affairs Economic Outlook, Opportunities and Impacts: [Presentation](#) by Barbara Carson, Small Business Administration's Office of Veterans Business Development.