



Federal Issues Update:

as of January 24, 2012

While Congress has been in recess for several weeks, expect an increase in federal activity this week, starting with the President's State of the Union address tonight. Below is a brief summary of some issues to expect to hear more about over the coming weeks.

- **President's January 24 State of the Union Address:** The President is expected to focus his speech on a "blueprint for an economy that's built to last" through a "return to American values" that emphasize support for the middle class. The speech is expected to focus on three themes:
 - "Insourcing" that brings back manufacturing jobs from overseas;
 - Continuing growth of alternative energy to move toward energy independence; and
 - Preparing workers and students for "jobs for the future," with an emphasis on the long-term unemployed and veterans.

While specific details of these proposals are not yet available, the White House is encouraging people to get expanded access to specific tables and graphs and to participate in post-speech panels by logging into www.WhiteHouse.gov/SOTU.

- **President's 2013 federal budget:** The President is expected to release his 2013 federal budget proposal on February 6. Congress does not act on the President's proposal as such, but often uses the President's proposal as a starting point in developing its budget resolutions. There is concern among Democrats that any cuts proposed by the President will be increased significantly by the Republican-controlled House of Representatives early in its budget process.
- **Payroll Tax and Unemployment Insurance Extensions debate:** In December, Congress passed a two-month extension (which expires on February 29, 2012) of payroll tax cut and unemployment insurance (UI) legislation. One proposal in the House of Representatives related to the UI extension would require that anyone receiving UI must already have or be making satisfactory progress toward a high school diploma or GED to receive UI. At the same time, changes enacted in December as part of 2011 federal appropriations eliminated the ability of those without a GED or high school diploma to qualify for Title IV federal financial aid (either grants or loans). Previously, students without a high school diploma or GED could qualify for aid by successfully completing some college coursework under provisions known as "ability to benefit."



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