

20. EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

**Table 20-1. Federal Resources in Support of Education, Training,
Employment, and Social Services**
(In millions of dollars)

Function 500	1999 Actual	Estimate					
		2000	2001	2002	2003	2004	2005
Spending:							
Discretionary Budget Authority ...	46,648	44,390	61,543	61,582	62,288	63,447	64,570
Mandatory Outlays:							
Existing law	11,281	11,294	15,401	13,978	15,536	16,168	17,183
Proposed legislation		-100	-2,764	-246	-158	-195	-230
Credit Activity:							
Direct loan disbursements	18,080	14,662	15,785	N/A	N/A	N/A	N/A
Guaranteed loans	21,914	25,261	26,472	N/A	N/A	N/A	N/A
Tax Expenditures:							
Existing law	34,070	36,030	37,565	38,745	41,240	42,350	44,740
Proposed legislation		66	1,363	3,654	3,821	4,970	5,470

N/A = Not available.

A wide variety of Federal programs assist States and localities in providing essential education, training, employment and social services. These programs help educate America's youth; offer training and employment services to all Americans, especially those who are low-skilled and jobless; assist youth and adults overcome financial and other barriers to postsecondary education and training; are an essential part of the safety net for poor Americans; and work with employers and employees to maintain safe and stable workplaces.

The President proposes to spend over \$67.5 billion in 2001 on: grants to States, localities and non-profit organizations; grants, loans, and scholarships to individuals; direct Federal program administration; and, subsidies leveraging over \$42 billion in loans to individuals. The budget also allocates approximately \$41.3 billion in 2001 in tax expenditures for programs in this function.

Department of Education

Elementary and Secondary Education:

Federal spending for elementary and secondary education targets important national needs, such as equal opportunity and the use of challenging academic standards, to improve student achievement. Most low-performing children in high-poverty schools receive extra educational assistance through the Title I (Education for the Disadvantaged) program. Other programs provide related support for children with disabilities and limited English proficiency; support teacher and administrator training; help finance and encourage State, district, and school reforms; help reduce class size; and support research and technical assistance. The Administration's long-term goal is to help all children, especially low-income and minority children, raise their levels of achievement so that they can meet challenging academic standards.

The Federal focus began to change in 1994 from supporting individual programs to emphasizing school-wide and school system reforms, through the President's Goals 2000 Educate America Act and Improving America's Schools Act (IASA), including Title I. These laws support State and local standards-based reform efforts and promote the use of technology in education to improve learning. These new approaches have freed States and schools from unnecessary Federal process restrictions, providing greater flexibility while requiring more accountability for results. Early results show that the new approaches are having a significant impact: for example, all but one State has content standards in at least reading and math, compared to only 19 States before Goals 2000 and IASA. By 1997, over 70 percent of all Title I schools reported using standards to guide reading and math curricula, with a goal of 100 percent in 2000.

Title I: Minority students have made substantial gains in science, math, and reading since the 1970s, narrowing the gap between minority and non-minority student achievement by about a third. Citing Title I, as well as Head Start and child nutrition programs, a 1994 RAND study found that "the most plausible" way to explain big education gains of low-income and minority children in the past 30 years is "some combination of increased public investment in education and social programs and changed social policies aimed at equalizing educational opportunities." More recently, a 1998 RAND study on rapid achievement gains in North Carolina and Texas found that the most probable explanation for the gains, including those of disadvantaged students, stemmed from policies of high standards for all students, aligned assessments, accountability with consequences, and targeting high-poverty schools. These are all core principles of Title I. The budget provides \$9.14 billion for Title I, including \$8.36 billion for grants to local education agencies. In 2001, Title I grants to school districts will provide educational services to over 12.2 million students in high-poverty communities, 400,000 more children than in 2000.

The 1994 reauthorization of Title I set in motion a series of new requirements on States for improving educational results

for disadvantaged children, as a condition for receipt of Title I funds. Implementation has been uneven. For 2001, the Administration proposes a stronger emphasis on accountability for improved education results in Title I, financed with an Accountability Fund and reinforced in its reauthorization proposal for the Elementary and Secondary Education Act. Within Title I, the budget provides \$250 million for this Fund to help accelerate States' implementation of accountability provisions in the Title I program, nearly doubling the amount available in 2000. The Accountability Fund will help States identify their lowest performing schools, intervene with effective strategies to improve student outcomes, and report on their results.

Title I is helping to improve student achievement. The most recent study of Title I schools shows progress in the percentage of students that meet State standards for proficiency in math and reading, regaining ground lost in the late 1980s and early 1990s. Results from the 1998 National Assessment of Educational Progress, a series of tests considered to be the Nation's "report card," show that among the lowest-achieving 4th graders—those most likely to be served by Title I—there were fairly substantial improvements in reading between 1994 and 1998. Those in the lowest 10 percent gained an average of nine points and those in the bottom 25 percent gained five points, compared with the stable performance of the other groups.

Title I is also helping schools provide extended learning time, a practice that tends to improve student achievement. Over 60 percent of Title I schools now have after-school programs to provide extra learning time for tutoring rather than taking students out of the regular classroom for assistance, compared to less than 10 percent before 1994.

Teacher Quality and Professional Development: The budget provides \$1 billion to help States and districts provide sustained, content-rich professional development, recruit teachers, and support State efforts to align curricula and assessments with content standards.

21st Century Community Learning Centers/After School Programs: The budget proposes to more than double this program to \$1 billion, as part of a comprehensive approach to fix failing schools by providing children in these schools the extra help they need to meet challenging academic standards. Grants to public schools and community-based organizations support the establishment or expansion of after-school, summer school and other extended learning opportunities. The budget provides sufficient funds to make after- or summer-school programs universally available to help turn around failing schools, defined as schools identified under Title I as in need of improvement.

In 2001, over 10,000 schools will receive 21st Century Community Learning Centers grants. Most of these schools are in districts that commit to use these funds as part of a comprehensive effort to improve learning in low-performing schools. In future years, grantees will report their progress and receive continuation grants if they meet program terms.

Reading Excellence: A student's most basic skill to master is reading. Although reading problems are particularly severe for disadvantaged students, students with reading difficulties represent a cross-section of American children. On the 1998 National Assessment of Educational Progress, 68 percent of all fourth-grade students in high poverty schools scored below the basic reading level. The President launched the America Reads Challenge to provide extra help to meet the goal that every child will read well and independently by the end of the third grade, and obtained enactment of new legislation that began funding local programs on July 1, 1999. The budget provides \$286 million for the Reading Excellence program.

The Department of Education's objective for the Reading Excellence program is to significantly improve students' achievement in participating schools and classrooms. By 2001, participating students will increase their reading scores significantly compared to non-participants. Furthermore, by the end of 2001, at least 15 States will have revised their State in-service training and guidelines

for reading certification of teachers to reflect scientifically-based reading research.

Education Technology: The Administration's education technology programs serve to make modern computers and technologies accessible to all students; connect classrooms to the Internet; make high-quality educational software an integral part of the curriculum; and enable teachers to effectively integrate technology into their instruction. The budget provides \$903 million for education technology.

- The Administration's goal is that by 2001, all schools will be connected to the Internet. This compares to an actual level of 65 percent in 1996 and 89 percent in 1998.
- In 2001, a higher percentage of teachers than in 1996 will integrate high-quality technology-based instruction into their curriculum. In Fall 1996, 20 percent of public school teachers used advanced telecommunications for teaching. In 1994, 40 percent of the fourth graders and 17 percent of the eighth graders had teachers reporting use of computers to teach reading. In 1996, about 75 percent of fourth grade students and 46 percent of eighth grade students had teachers reporting use of computers for math instruction.

Special Education: Under the Individuals with Disabilities Education Act (IDEA), the Education Department works with States to ensure that children with disabilities receive a "free appropriate public education" that prepares them for employment and independent living, and that all schools are held accountable for the educational results of special education children. As of July 1, 1998, all States were required to have performance goals and strategies in place for students with disabilities aged three to 21, and to report their progress toward meeting those goals on a biennial basis. Moreover, by July 1, 2000, all States will be required to include special education children in State and district-wide regular assessments or provide alternate assessments to measure educational performance. The budget provides \$6.4 billion for IDEA, a \$333 million increase.

One measure of success is the increase in the percentage of students with disabilities who are graduating from high school with

a regular diploma and the reduction in the number who are dropping out.

- In the 1995–96 school year, 53 percent of students with disabilities left school by graduating with a regular diploma and 34 percent dropped out of school. The Administration's goal for school year 2000–01 is that 58 percent of students with disabilities will graduate with regular diplomas and that no more than 29 percent will drop out.

Bilingual Education: The budget provides \$296 million for this program in 2001, an increase of \$48 million over 2000. The population of limited English proficient (LEP) students has grown dramatically over the last two decades. Between school years 1992–93 and 1996–97, the LEP population in 10 states (Alabama, Alaska, Florida, Idaho, Nebraska, Nevada, North Carolina, Oregon, South Carolina, Tennessee) grew by more than 50 percent. The Bilingual Education program provides funds to school districts to teach English to LEP students and helping them meet the same challenging state standards required of all other students. Likewise, through the Professional Development authority, the program provides funding to address the critical shortage of highly trained Bilingual Education and English as a second language (ESL) instructors.

- In 2000, Federal funds will support the training of nearly 5,700 teachers. In 2001, funds will support training of about 8,000 teachers to specialize in teaching LEP children.

Class Size Reduction: The budget proposes \$1.75 billion, an increase of \$450 million over 2000, as the third installment of the President's plan to help schools recruit, hire, and train 100,000 new teachers by 2005 and reduce class size in the early grades.

States will annually reduce the average class size in grades one through three so that by 2005, the average class size nationally in the targeted grades is 18 students per classroom. In 1993–1994, the average number of students in a grade one to three classroom was 22. In 1999–2000, the first year of the program, school districts met their goals and hired 29,000 teachers. As a result, class

sizes in grades in which teachers were hired decreased from an average of about 23 to 18.

Public School Choice: The budget includes several initiatives to expand the availability of choice in public schools, such as Opportunities to Improve our Nation's Schools (OPTIONS), a proposed new program that would fund innovative approaches to public school choice like public schools located at work sites or on college campuses. Funding is also provided to continue the inter-district magnet school program initiated in 2000. The largest public school choice program is Charter Schools.

Charter schools introduce innovation and choice into public schools. In 1992, there was one charter school in operation, funded locally. Thanks in part to startup funding provided through the Public Charter Schools program, that number has grown to over 1,700 schools in 2000. The budget provides \$175 million for charter schools. At this level, by 2001, the program will have helped nearly 2,400 charter schools since its inception, supporting the President's goal of 3,000 charter schools by 2002.

Safe and Drug-Free Schools and Communities: Since 1993, this program has provided a total of \$4.3 billion to help 97 percent of all school districts implement anti-drug and anti-violence programs. The budget proposes \$650 million for this program, including \$122 million in competitive grants under the inter-agency Safe Schools/Healthy Students initiative in conjunction with contributions from the Departments of Health and Human Services, Justice, and Labor; \$50 million for the newly established Coordinator Initiative to ensure that over 1,300 middle schools have a director of drug and violence prevention programs to monitor local programs and link school-based programs to community-based programs; and, \$10 million for Project SERV, a resource for responding to school violence incidents.

In 1997, the rate of alcohol use in schools was five percent for eighth graders and eight percent for 10th and 12th graders; the 1997 rate of marijuana and other drug use in schools was five percent and 11 percent for eighth and 10th graders, respec-

tively, and the rate of marijuana use was 10 percent for 12th graders.

- The Administration's performance goal is that by 2001, rates of annual alcohol use in schools will decline to four percent for eighth graders and seven percent for 10th and 12th graders; rates of annual marijuana and other drug use in school for the same time period will decline to three percent and 10 percent for eighth and 10th graders respectively, and the rate of annual marijuana use will decline to nine percent for 12th graders.

Postsecondary Education: The economic returns to a college education are dramatic. Males working full time who are over 25 years old and have a bachelor's degree earned 56 percent more in 1997 than workers with just a high school degree. Moreover, the benefits of college extend beyond the college graduates themselves. The resulting higher socioeconomic status of parents with college degrees leads to greater educational achievement by their children.

Since the GI Bill was enacted following World War II, the Federal Government has played a growing role in helping Americans go to college. Since 1964, Federal postsecondary programs have helped nearly triple college enrollment, increasing by a third the share of high school graduates who attend college.

- In 2001, the Education Department will provide financial aid to approximately nine million students.

Hope Scholarships and Lifetime Learning Tax Credits: These tax benefits for postsecondary education were proposed by President Clinton in 1996 and enacted in 1997. They have helped make college more affordable for many American families.

In the 2000 tax year, 5.6 million students will be eligible for over \$5 billion in Hope tax credits, and 7.2 million students will be eligible for almost \$2.4 billion in Lifetime Learning tax credits.

Pell Grants: When President Clinton took office in 1993, the Pell Grant maximum award was \$2,300—the same as it was when President Bush took office in 1989. Over the next

six years, from 1994 to 2000, the maximum award increased 43 percent to \$3,300. In fiscal year 1998, an estimated 76 percent of Pell Grant funds were awarded to students below 150 percent of the poverty level. The budget provides for a program level of \$8.5 billion for Pell Grants.

- An estimated 3.9 million needy students will receive Pell Grants in 2001, for which the budget proposes a maximum award of \$3,500, an increase of \$200 over 2000.

Work-Study: The Work-Study program helps needy undergraduate and graduate students finance postsecondary education through part-time employment. In 1996, the President set a goal of supporting one million work-study students each year by 2000. This goal was achieved. The budget includes \$1.011 billion, an increase of \$77 million over 2000, to maintain this commitment.

GEAR-UP: The budget proposes increasing funding for GEAR-UP, the early intervention program based on the President's High Hopes proposal, to \$325 million in 2001. GEAR-UP provides funds for States and local partnerships to help students in high-poverty schools prepare for and attend college. The Department of Education aims to have GEAR-UP program participants successfully complete high school and enroll in postsecondary education programs at higher rates than comparable non-participants.

Student Aid Delivery System Modernization: The Education Department manages the delivery of student aid benefits to nearly nine million students in approximately 5,300 postsecondary schools, and oversees the direct and guaranteed loan systems affecting 37 million individuals, 4,100 lenders, and 36 guarantee agencies. The Department has made modernization of student financial aid management one of its highest priorities. Through the Higher Education Amendments of 1998, the Administration and Congress authorized the Department to establish the Government's first ever Performance-Based Organization (PBO). This new organization has unprecedented flexibility in procurement, operations and management of Federal student financial assistance programs. Major parts of the effort include improving customer service at lower cost through better contracting practices and

use of new information technology. For example, students can now apply for student financial aid electronically and access their direct student loan information over the Internet. The PBO is one of the Administration's High Impact Agencies. The three primary goals of the PBO are:

- *Improving customer satisfaction:* The PBO has established the goal of increasing the satisfaction of "customers" of the student financial assistance programs to a level commensurate with private sector financial service firms. Under the national survey conducted by the University of Michigan in 1999, the PBO scored 63 in satisfaction. The goal is to increase this rating to 74 out of 100 by 2002.

In 2000, the PBO has committed to improving customer satisfaction in at least six of 10 core functions, as measured through detailed surveys.

- *Reducing cost:* The PBO has set a target to reduce the 2004 projected unit cost of delivering each student aid dollar by 19 percent.

In 2000, the PBO has committed to reduce unit costs by \$18 million and re-invest this amount in further information systems modernization. These investments will produce even greater future unit cost reductions.

- *Improving employee satisfaction:* Recognizing that employee satisfaction is essential to modernizing the delivery of student financial assistance and achieving the aforementioned goals, the PBO has committed to raising employee satisfaction, as measured by the Office of Personnel Management (OPM), to the top five of all Government agencies by 2002. In 1999, the PBO ranked 33rd out of 50 in the OPM survey.

As a down-payment in 2000 on the long-range commitment, the PBO's management has committed to making demonstrable progress on five issues identified by the Labor-Management Partnership Council.

Student Aid Income Verification: In 2000, in accordance with the Higher Education

Amendments of 1998, the Departments of Education and Treasury will conduct a test match of income data provided on the student aid application against IRS data. This test match will provide important information for the development of a full scale match, which would enable the Department of Education to reduce fraud and improve eligibility determinations.

Adult Education: For many disadvantaged adults, Federal adult education programs provide the only opportunity to gain literacy skills and obtain the knowledge and skills necessary to attain employment and self-sufficiency, to learn English, and to complete their secondary education. The new Adult Education and Family Literacy Act places a strong emphasis on performance and accountability, and States must now establish annual performance targets for the educational achievement of participating adults. States that meet or exceed their targets in adult education and other Federal workforce development programs are eligible to receive special incentive grants. The budget proposes \$555.5 million for adult education, an increase of \$85.5 million over 2000.

- The Administration's goal is that by 2001, 40 percent of the adults in beginning level adult basic education, adult secondary education, and English as a second language (ESL) programs will achieve basic skill proficiency, earn a diploma or General Educational Development (GED) credential, or achieve basic English proficiency. In 1999, 31 percent of the adults in basic education, 33 percent of those in secondary education, and 28 percent of those in ESL programs achieved basic skill proficiency, earned a diploma or GED, or achieved basic English proficiency.

Vocational Rehabilitation Services: The Vocational Rehabilitation (VR) program provides funds to States to help individuals with disabilities prepare for and obtain gainful employment to the extent of their capabilities. In 1998, the program helped 223,668 individuals with disabilities secure employment, and 88 percent of these individuals obtained competitive employment. The budget includes \$2.8 billion for Vocational Rehabilitation. In 1999, all States started to develop challenging State-specific goals based on a comprehensive assessment of the vocational rehabilitation needs of

individuals with disabilities and to describe the strategies that will be used to address those needs. State agencies will begin reporting progress made toward meeting the goals in 2000.

- In 2001, 63 percent of all individuals with disabilities served in the VR program will obtain employment, up from 61 percent in 1999. Of those achieving competitive employment, 85 percent will maintain employment and earnings 12 months after their case is closed.

Labor Department

Elementary, secondary, and postsecondary investments enable Americans to acquire the skills to get good jobs in an increasingly competitive global economy. In addition, most workers acquire more skills on the job or through billions of dollars that employers spend each year to enhance worker skills and productivity. However, some workers also need special, targeted assistance. In addition to Pell Grants, student loans, and tax credits, the Federal Government spends some \$7 billion a year on Department of Labor (DOL) programs that finance job training and related services. Workers who want to learn about job openings can use the State Employment Service and One-Stop Career Center System and DOL's popular America's Job Bank (AJB) website, which currently lists 1.5 million job vacancies daily and has over eight million job searches each month, an increase over the 900,000 job vacancies and six million job searches reported last year.

The Workforce Investment Act (WIA) of 1998: The WIA takes full effect on July 1, 2000, as the Job Training Partnership Act is repealed and all States fully implement the WIA requirements. The WIA reflects the principles the President sought in his GI Bill for America's Workers proposal including: streamlining services through One-Stop Career Centers; empowering individuals with the information and resources they need to choose the training that is right for them; providing universal access to a core set of employment services such as job search assistance; increasing accountability; ensuring a strong role for the private sector and the local boards who develop and oversee programs; facilitating State

and local flexibility; and improving the quality of youth job training services.

DOL has launched several longitudinal evaluations of its job training programs over the past two decades, including a major impact evaluation of the Job Corps program. Past studies have found generally positive results.

While impact evaluations are the best measure of program effectiveness, DOL also sets annual performance goals for its major job training programs. Beginning in July 2000, each State will implement an accountability system to measure performance. The goal of this system is to optimize the return on investment of Federal funds directed to State and local workforce activities. This accountability system will assess the effectiveness of States and local areas in achieving positive outcomes and ensuring continuous improvement of their workforce investment systems. The WIA establishes core performance indicators for all adult, dislocated worker, and youth programs that help people find and retain unsubsidized jobs, increase earnings, or lead to further education and attainment of credentials or employable skills. DOL is working with each State to establish appropriate baselines and challenging performance goals. The goals and measures indicated here and in DOL's performance plan were established using programmatic data from the predecessor job training program as a baseline.

The WIA establishes strong ties between performance and funding. If a State fails to meet its expected levels of performance in any year, it can request technical assistance from DOL. If a State continues to fail to meet its agreed-upon performance levels for a second year, or if a State fails to report its performance information in any year, its funding may be reduced by up to five percent.

Reemployment services: In the 2000 Budget, the President proposed a major initiative to help working and laid-off workers to get the information and training they need to succeed in a dynamic labor market. This budget includes increased funding for new initiatives to ensure that: (1) all displaced workers would receive the training they want and need; (2)

individuals who lose their job due to no fault of their own could get improved re-employment services; and, (3) every American would have access to One-Stop Career Center services.

WIA's Dislocated Worker Employment and Training Activities: This program will provide training and employment services to about 984,000 displaced workers in 2001. The budget proposes \$1.8 billion for dislocated workers, an increase of \$181 million over 2000, when the program will serve 836,000 participants. While new performance measures will be developed for the WIA beginning in 2001, in 2000, 80 percent of participants are expected to be employed six months after leaving the program in jobs that replace, on average, 98 percent of their pre-dislocation earnings. The budget also includes a legislative proposal to consolidate and reform the Trade Adjustment Assistance and NAFTA Transitional Adjustment Assistance programs.

One-Stop Career Centers/Employment Service: The Employment Service provides a free labor exchange for all job seekers and employers, and is growing more effective through implementation of a One-Stop delivery system. The budget proposes \$1.010 billion for a range of information and services, including self-service access to job and labor market information, either through the Internet or in local offices, as well as staff-assisted services for those needing more help.

- In 2001, DOL and the States will work to increase the number of employers listing jobs with the AJB website by 10 percent over the 2000 level while expanding information on local labor markets to help workers make informed career decisions.

Continued efforts in 2001 to improve access to the information and services of the One-Stop system will include a toll-free number, mobile One-Stops, and on-line job information made available at community-based organizations. In addition, DOL will have the lead in a new Administration initiative called Access America for Workers. This initiative envisions a consolidated website that will serve as a single point of contact for American workers and their families to access a wide range of Internet-based services, information, and transactions.

Work Incentive Grants: To enhance the employment prospects of individuals with disabilities, the budget includes \$20 million for competitive grants to partnerships or consortia in each State to provide new services and information for individuals with disabilities who want to return to work. These partnerships would work with the One-Stop system to augment its capabilities to provide timely and accurate information that people with disabilities need to get jobs and learn about the benefits available to them when they return to work. In addition, the partnerships would improve local service delivery by coordinating the State and local agencies and disability organizations that help individuals with disabilities prepare to enter or reenter the workforce. In 2001, DOL's goal for grantees is a three-percent increase in the number of individuals with disabilities served and a three-percent increase in unsubsidized employment outcomes over the 2000 level.

Incumbent Workers: To boost the skills, productivity, and wages of the U.S. work force, the budget includes \$30 million for competitive grants to States for training and upgrading the skills of currently employed workers. Applicants would be required to provide non-Federal matching resources, and employers that received grant assistance would be expected to demonstrate that training increased participant earnings.

Responsible Reintegration for Young Offenders (RRYO): The budget includes \$75 million for this new initiative to establish partnerships between the criminal justice system and local one-stop delivery systems created under the WIA. Young offenders up to age 35 would be able to access a comprehensive array of services—including education, training, drug treatment and support services—that would help them successfully reenter the community.

- In 2001, the RRYO will provide competitive grants to serve almost 19,000 young ex-offenders.

Youth Opportunity Grants (YOG): The YOG initiative addresses the special problems of out-of-school youth, especially in inner-cities and other areas where unemployment rates are high. The budget provides \$375 million for the third year of five-year competitive grants to 25–30 communities and the first year of

five-year competitive grants to an additional 12–15 communities.

- By 2001, 75 percent of YOG participants placed in employment, the military, advanced training, postsecondary education, or apprenticeships will be retained at six months.

Job Corps: The Corps provides skill training, academic and social education, and support services in a structured, residential setting to approximately 73,000 very disadvantaged youth per year at 122 centers.

Performance data indicate that, in program year 1998, 82 percent of Job Corps graduates enrolled in education or entered employment after leaving the program.

- By 2001, 85 percent of Job Corps graduates will be enrolled in education or get jobs with an average starting wage of \$7.25 per hour. In addition, 70 percent will still be enrolled in education or employed six months after their initial placement.

Workplace Protections: DOL regulates compliance with various laws that protect individuals in the workplace—a minimum wage for virtually all workers, prevailing wages and equal employment opportunity for workers on government contracts, overtime pay, restrictions on child labor, and time off for family illness or childbirth. (For discussion of workplace safety programs, see Chapter 21, “Health.”) In these areas, the Federal Government is working to increase industry’s compliance with labor protections through voluntary compliance initiatives coupled with continued strong enforcement, outreach to new and small business, and targeted enforcement in specific industries. DOL measures the success of these efforts against specific measurable goals:

- In 2001, DOL will increase compliance by five percent among employers who were previously violators and the subject of repeat investigations in targeted health care, garment, and identified agricultural commodities industries.

Bureau of International Labor Affairs (ILAB): The budget provides \$167 million for ILAB to continue the Administration’s commitment to help developing countries establish

core labor standards and reduce exploitative child labor internationally. The budget includes \$55 million for the School Works programs to help developing countries with high levels of abusive child labor to enroll and retain these children in basic education as a primary strategy in the elimination of child labor.

- In 2001, ILAB will increase by 50 percent the number of countries signing memoranda of understanding with the International Labor Organization’s Program on the Elimination of Child Labor, adding 20 new countries to the IPEC membership list. In addition, in 2001 ILAB will focus its efforts to support projects on the worst forms of child labor and continue to raise public awareness and international support for the progressive elimination of child labor.

Welfare-to-Work: Moving people from welfare to work is a primary goal of Federal welfare policy. In addition to the \$16.5 billion per year provided through the Temporary Assistance for Needy Children Program, the President obtained \$1.5 billion to help achieve this goal through Welfare-to-Work (WtW) grants in 1998 and 1999. These grants provide welfare recipients with the job placement services, transitional employment, and job retention and support services they need to achieve economic self-sufficiency. Working closely with Congress, the Administration secured critically needed changes to WtW’s eligibility and reporting requirements. These streamlined criteria will allow WtW, within existing resources, to better serve the eligible population and report program results with minimal burden. The budget includes a proposal to extend by two years the time period in which grantees may spend their existing WtW funds.

Fathers Work/Families Win: The budget includes \$255 million to put non-custodial parents who own child support to work so they can support their children; and help low-income custodial parents stay in their jobs, move up the career ladder, and remain off cash assistance. DOL will develop with each successful applicant a goal to increase the employment, earnings, and retention of program participants.

Department of Health and Human Services

Head Start: Head Start gives low-income children a comprehensive approach to child development, stressing language and cognitive development, health, nutrition, and social competency. Head Start is administered by the Administration for Children and Families (ACF), one of the Vice President's High Impact Agencies. The budget provides \$6.3 billion for Head Start, a \$1 billion increase over the 2000 level.

- In 2001, Head Start will serve approximately 70,000 additional children, for a total of 950,000 children. The Head Start program goal established by the President is to serve one million children annually by 2002.
- Within the overall total of children served, in 2001 approximately 10,000 more children under age three will participate in the Early Head Start component, for a total of nearly 54,000. The President established the goal of doubling the number of children below age three served in Head Start by 2002, within the goal of one million total children.

National evaluation studies of both the regular Head Start program and the Early Head Start component are under way to improve outcomes for Head Start families, including child growth and development.

- In 2001, the Head Start program will increase the average improvement in literacy skills of Head Start children from 66 to 77 percent. Head Start will also increase the percentage of participating children whose parents read to them at least three times per week.

Foster Care and Adoption Assistance: The Administration for Children and Families (ACF) administers a number of programs that focus on preventing maltreatment of children, protecting children from abuse and neglect, and finding permanent placements for children who cannot safely return to their homes. The budget proposes a \$5 million pilot initiative to support Indian Tribes' management of their own child welfare systems. Currently, tribal child welfare agencies must operate within state systems to be eligible for Federal support of foster care and adoption assistance activi-

ties. Under the pilot initiative, participating tribes would receive direct Federal funding, improving their ability to meet the needs of eligible Native American children.

- Decrease the number of children with substantiated reports of abuse with a repeat report of maltreatment within 12 months from 12 percent in 1997 to 10 percent in 2001.
- Provide children permanency and stability in their living situations by reducing the median length of time between placement and adoption for all children from 38 months in 1997 to 37 months in 2001.

Aging Services Programs: The Administration on Aging (AoA) administers information and assistance, home and community-based support services for older people, and programs that protect the rights of vulnerable, at-risk older people. In 2001, the budget proposes \$1.1 billion for AoA programs, including \$125 million to assist families who are caring for frail elderly relatives. The goal of care-giver services is to help sustain the efforts of family care givers by providing information, education and counseling, and respite services. AoA will develop performance measures for these activities. The budget also includes \$325 million, an increase of \$15 million, for the core Supportive Services program.

- In 2001, AoA will increase the number of meals served under the Home-Delivered Meals Program to 166 million, compared to 119 million meals in 1996.

National Service

The Corporation for National and Community Service supports programs providing service opportunities Nation-wide for Americans of all ages and backgrounds. Through Corporation-supported projects, over 1.5 million participants work to address the Nation's unmet, critical needs. The Corporation organizes its programs into three streams of service, with various annual performance goals.

AmeriCorps: Building upon the Administration's commitment to shape and strengthen the role of national service, AmeriCorps' goal is to expand service opportunities to 100,000 participants by 2004.

- In 2001, AmeriCorps will engage 62,000 Americans in community service, and provide education awards in return for such service.

Learn and Serve America: This program provides young people with opportunities to serve by connecting community service with academic learning, personal growth and civic responsibility.

- In 2001, 15,000 high school students who have provided outstanding community service will receive Presidential Service Scholarships—compared with 10,000 students in 2000.

National Senior Service Corps: The Corps, which includes over 500,000 people age 55 and older, encourages seniors to use their experience, skills and talents while serving as Foster Grandparents, Senior Companions, and the Retired and Senior Volunteers.

- In 2001, Foster Grandparents and Senior Companions will serve 160,000 special-needs youth and frail elderly, while retired senior volunteers and volunteer leaders will work to further the goals of America's Promise and the America Reads Challenge.

Cultural Agencies

The Smithsonian Institution and Other Cultural Agencies: The Smithsonian Institution, the National Gallery of Art, the U.S. Holocaust Memorial Museum, and the John F. Kennedy Center for the Performing Arts all have as part of their missions the advancement of knowledge and sharing that knowledge with the American public. To accomplish its mission, each institution must maintain its physical infrastructure and provide access to its unique assets.

In 2001, each agency will provide new and updated exhibits and performances, including, for example, major traveling exhibitions from the Smithsonian's National Museum of American Art and National Portrait Gallery to cities nationwide. In 2001, each agency will protect its unique assets by implementing its comprehensive plans for repair and renovation, including completion of repairs of the National Gallery of Art's Mall steps and initiating repairs on the

Gallery's West Building facade and connecting link expansion joints.

In 1999, the National Gallery of Art had 6.7 million visitors, the highest total since 1988, due primarily to the success of the special exhibitions program that included the critically and publicly acclaimed Van Gogh exhibition. The U.S. Holocaust Memorial Museum hosted two million visitors and had 1.3 million visitors to its website while attendance at traveling exhibitions increased by 29 percent over 1998. In 1999, the Kennedy Center completed a comprehensive upgrade of its building automation system and began work on an energy conservation plan.

The National Endowment for the Arts and the National Endowment for the Humanities: The budget proposes \$150 million each for the National Endowment for the Arts and the National Endowment for the Humanities to provide support for important cultural, educational and artistic programs for communities across America. The budget also proposes \$206 million for the Institute of Museum and Library Services (IMLS) to support museums and libraries. In 2001, the Endowments and IMLS will fund education and life-long learning as well as projects to increase public access to performances, exhibitions, and our Nation's cultural treasures held by museums, libraries, archives, and historical organizations. Special attention will be given to underserved areas and to the use of the arts and humanities to strengthen community and family life.

- In 2001 the NEA's proposed Challenge America program will award more than 1,100 grants, directly or in partnership with States, to communities across America for Arts Education, Access to the Arts, Youth-at-Risk, Cultural Heritage and Preservation, and Community Arts Partnerships.
- In 2001, the NEH will help improve the quality of humanities education offered to hundreds of thousands of American school children and college students; provide opportunities for citizens from all walks of life to engage in a lifetime of learning about the Nation's history and culture; preserve and democratize access to millions of brittle books and other important

cultural and intellectual resources; and dramatically expand access to humanities programming for millions of citizens in rural areas and cities nationwide.

- In 2001, IMLS will promote access to learning and information resources held by museums and libraries through electronic linkages, helping all 55 State library agencies expand electronic access to materials and increase Internet access. IMLS will help museums develop and support regional electronic networks, providing technical support to thousands of museums in putting collection information on-line and supporting after-school programs located in museums.

Tax Incentives

The Federal Government helps individuals, families, and employers (on behalf of their employees) plan for and buy education and training through numerous tax benefits, which under current law will cost an estimated \$59 billion in 2001, and \$307 billion from 2001 to 2005. Along with the Hope Scholarship and Lifetime Learning tax credits for college costs, the tax code provides other ways to pay for education and training. State and local governments, for instance, can issue tax-exempt debt to finance student loans or to build the facilities of non-profit educational institutions. Interest from certain U.S. Savings Bonds is tax-free if the bonds go solely to pay for education. Many employers

provide education benefits that do not count as income. Since 1998, many taxpayers have been able to deduct the interest on student loans. Finally, the tax code gives employers a Work Opportunity Tax Credit and a Welfare-to-Work Tax Credit, letting them claim a tax credit for part of the wages they pay to certain hard-to-employ people who work for them for a minimum period.

In 2000, the Administration secured an extension through December 2001 of the current exclusion from employee income of employer-provided educational assistance, known as section 127 of the Internal Revenue Code. New education tax provisions in the budget include proposals to provide tax credits to support public school construction and rehabilitation; expand the Lifetime Learning tax credit by giving families the option of taking a tax deduction or claiming a 28 percent tax credit for postsecondary tuition and fees; eliminate the 60-month limit on the student loan interest deduction to provide longer-term relief to low-and middle-income taxpayers with large educational debt; eliminate the tax owed when certain student loans are forgiven after 25 years of repayment; and, provide a tax credit for employer-provided workplace literacy and basic education programs. In addition, the budget proposes exclusion from income for repayment or cancellation of a student loan under the AmeriCorps Education Award Program.