AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

Calendar No. 153

104TH CONGRESS, *1st Session* | SENATE | REPORT 104–118

WORKFORCE DEVELOPMENT ACT OF 1995

JULY 24 (legislative day, JULY 10), 1995.—Ordered to be printed

Mrs. KASSEBAUM, from the Committee on Labor and Human Resources, submitted the following

REPORT

together with

ADDITIONAL AND MINORITY VIEWS

[To accompany S. 143]

The Committee on Labor and Human Resources, to which was referred the bill (S. 143) to consolidate Federal employment training programs and create a new process and structure for funding the programs, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill as amended do pass.

CONTENTS

		Page
I.	Summary of the bill	2
II.	Background and need for the legislation	4
III.	History of the legislation and votes in committee	5
IV.	Committee views	13
V.	Cost estimate	38
VI.	Regulatory impact statement	53
VII.	Section-by-section analysis	54
VIII.	Additional views	70
IX.	Minority views	76
X.	Changes in existing law	96

99–010

I. SUMMARY OF THE BILL

TITLE I

State Systems—Statewide work force development systems are established through a single allotment of funds to each State. A minimum of 25 percent of the funds are for work force employment activities, such as creating one-stop career centers or providing job training. Work force employment activities are to be planned and administered under the authority of the Governor. A minimum of 25 percent of the funds are for work force education activities, including vocational and adult education. Work force education activities are to be planned and administered under the authority of the State Educational Agency.

The remaining 50 percent of the funds are to be used for any work force employment or education activities as a State decides. The only requirement is that a portion of the funds be used to support school-to-work activities, broadly defined. The decision to allocate funds from this "flex account" is made through a collaborative process involving, among others, the Governor, the State educational agency, and the private sector.

State Plans—Through this collaboration, the stakeholders develop an overall strategic plan for the State and designate which employment or education activities the State will emphasize through the flex account. State goals and benchmarks are established in the plan, as well as how the State will use its funds to meet those goals and benchmarks.

In addition, the plan includes how the State will establish systems for one-stop career centers, labor market information, and accountability for job placement, as described in the bill. The plan also describes how the adult and vocational education needs of the State will be met, including the allocation of funds between adult and vocational education and within vocational education between secondary and postsecondary vocational education programs.

State and Local Efforts—Provisions is made for distribution of work force employment and education funds at the local level. The Governor must enter into agreements with local communities for the delivery of work force employment, school-to-work, or economic development activities, where appropriate. If that is not possible, Governors must provide local communities the opportunity to comment on the manner in which funds will be spent at the local level. States are not required, to establish State and local work force development boards, but if such boards are established, the State may use flex account funds for economic development activities aimed at improving the skills of the State's current workers.

Accountability—Each State must, at a minimum, establish specific benchmarks designed to meet the goals of providing meaningful employment and improving academic, occupational, the literacy skills. Incentives may be given or sanctions may be imposed, depending upon the progress of the State toward meeting such goals and benchmarks.

TITLE II

Transition—States may obtain waivers during the 2-year transition period in order to begin the integration of existing programs.

Each State must submit an interim plan during the first year of transition, and States that are capable of establishing statewide systems after the first year may do so.

Job Corps and At-Risk Youth—Job Corps remains as a residential program for at-risk youth, but is integrated with the statewide work force development system. Primary responsibility for the operation of Job Corps centers is transferred to the States, and each center must be linked into the one-stop career center system and other local training and education efforts.

During the 2-year transition period, a national audit of the Job Corps program will be performed. Based on the results of the audit and other criteria, the Secretary of Labor must close 25 underperforming Job Corps centers.

Funds saved as a result of these closures, as well as additional funding, will be allocated to the State for work force development activities directed specifically for at-risk youth.

TITLE III

Federal Partnership—A Federal partnership is established to administer all Federal responsibilities, including approval of the State plans, negotiation of benchmarks with each State, and dissemination of best practices.

A governing board, composed of 13 members, will manage the partnership. The board is composed of a majority of representatives from business and industry, and representatives of labor, education and Governors. Upon the establishment of the board, the Office of Vocational and Adult Education at the Department of Education and the Employment and Training Administration at the Department of Labor will be eliminated.

Final authority for the approval of State plans and disbursement of funds, however, remains with the Secretary of Education and the Secretary of Labor.

National Activities—Other national activities include national assessments of vocational education, a national labor market information system, and establishment of a national center for research in education and work force development.

TITLE IV

Vocational Rehabilitation—Title I of the Rehabilitation Act of 1973 is amended to link vocational rehabilitation services with the statewide work force development system including, to the extent feasible, the State goals and benchmarks.

TITLE V

Amendments to Immigration and Nationality Act—The Immigration and Nationality Act is amended to prohibit funds authorized under that act to be used for work force employment activities. Consequently, the employment needs of refugees will be addressed in the statewide comprehensive work force development system.

TITLE VI

Repeals—All major Federal job training programs are repealed on July 1, 1998, the date by which each State must implement its statwide work force development system.

II. Background and Need for the Legislation

Since the late 1960's, the Federal Government has invested considerable resources in helping people find employment through participation in numerous employment and training programs. What began as a few limited programs, has exploded today into a confusing maze of 163 separate programs, scattered across 15 Federal agencies, and costing more than $20 billion a year. These programs are hamstrung by duplication, waste, and conflicting requirements that too often leave program trainees no better off than when they started.

Today's fragmented system has more than 60 separate programs targeted at the economically disadvantaged, with, for example, 34 literacy programs aimed at reaching the same group. It is a system with six different standards for defining income eligibility levels, five for defining family and household income, and five for defining what is included in income.

The system lacks any effective means for determining whether programs actually work. Last year, the General Accounting Office released a report indicating that fewer than half of the 62 job training programs selected for study even bothered to check to see if participants obtained jobs after training. During the past decade, only seven of those programs were evaluated to find out whether trainees would have achieved the same outcomes without Federal assistance.

The current patchwork of employment and training programs confuses those seeking assistance because there are no clear entry points and no clear path from one program to another. The programs targeted for consolidation currently have conflicting eligibility criteria. They apply program incentives that are not always compatible with assisting individuals to acquire jobs. These program requirements may encourage staff to assist individuals who are the easiest to serve, rather than the most difficult. There is limited coordination across programs. There is no systemic link between educational services and job training services.

Organizations that provide Federal employment and training assistance range from publicly supported institutions of higher education to local education agencies and from nonprofit community-based organizations to private for-profit corporations. In addition, different programs frequently target the same client populations. For example, youth are specifically targeted by 19 programs. Other target groups, such as veterans, Native Americans, the poor, and dislocated workers, are each also targeted by several programs. Not surprisingly, people have difficulty knowing where to begin to look for assistance. As a result, they may go to the wrong agency, or worse, give up altogether.

Employers also experience problems with the multitude of employment and training programs. Employers want a system that is easy to access and provides qualified job candidates. Instead, they

must cope with solicitations from over 50 programs that provide job referral and placement assistance to individuals. Often, employers are not even involved in designing programs that should be responsive to their labor market needs. There is no clear linkage between economic development activities and employment and training programs to help employers meet their labor needs. Training programs are a waste of Federal dollars if employers cannot hire newly trained workers whose skills do not match employer needs.

Faced with stiff global competition, corporate restructuring, and continuing Federal budget constraints, the Federal Government cannot support a system that wastes resources, does not help people better compete for jobs, and does not help employers meet their labor force needs. People across the country do not want the Government spending money on programs that cannot deliver the results promised. As a nation, we can no longer afford the ''Washington knows best'' mentality that has created the current maze of employment and training programs. With a few notable exceptions, the evidence on job training results reveals far more failures than successes. Many State and local entities have begun the task of creating integrated employment and training systems which meet the unique needs of their communities. They have been frustrated, however, by Federal laws and regulations which prevent them from developing a more responsive and effective job training system.

If employment and training programs are to succeed, a simple, integrated work force development system must be established that gives States, local communities, and employers both the assistance and the incentives to train real workers for real jobs. The Workforce Development Act of 1995 promotes the development of a new and coherent system in which all segments of the work force can obtain the skills necessary to earn wages sufficient to maintain a high quality of living and in which a skilled work force can meet the labor market needs of the businesses of each State.

III. History of the Legislation and Votes in Committee

On January 4, 1995, Senator Kassebaum introduced S. 143, the Job Training Consolidation Act of 1995. The bill aims to consolidate employment training, adult education and vocational education programs and create integrated statewide work force development systems.

On January 10, 11, and 12, 1995, the Committee on Labor and Human Resources held hearings in Washington, DC, on ''Federal Job Training Programs: The Need for Overhaul.'' The committee heard from individuals experienced with employment and training programs—both those who had enrolled in such programs and those who run programs. In addition, the committee heard testimony from the General Accounting Office, the Office of Management and Budget, representatives of business and labor, scholars who study training programs, and representatives of Federal, State, and local governments.

Those experienced with programs told of their frustration. For example, Ernestine Dunn of Seattle, WA, testified that she ''was on welfare for 16 years. During that time, I went through eight different job training programs before I found what I wanted. All I wanted was the support and training to get a good job and to be

on my own." Marion Pines of Johns Hopkins University noted that "these kinds of bizarre situations are not unusual. Well-intentioned staff and clients get caught in a crossfire of legislative and administratively mandated regulations, leaving everyone frustrated."

Several witnesses discussed why employment and training programs need improvement. Carol D'Amico of the Hudson Institute in Indianapolis, IN, observed that "the Federal Government holds sponsors of these programs accountable for complying with hundreds of regulations instead of judging them by what they are accomplishing, that is, whether they are getting people private sector jobs." Clarence Crawford of the General Accounting Office reported that the number of Federal employment and training programs stands at 163. He concluded that, "We have a system that wastes resources, confuses clients, employers, and administrators and, after spending billions of dollars annually, we do not know if the programs are really helping people find jobs."

Two witnesses testified specifically about the effectiveness of the Job Opportunities and Basic Skills Training (JOBS) program in moving parents from welfare to work. Janet Schrader, an employment service worker with the JOBS program in Alexandria, VA, testified about the lack of success of the JOBS program due in part to the multiple problems of clients. Problems she cited included unstable housing, limited academic ability, lack of day care or transportation, poor social skills, personal or family illness, and the proclivity to be easily defeated by rejection in looking for a job. To make JOBS more successful, she recommended better assessment of clients, better case management, and more employer commitment to the program.

Jane L. Ross, Associate Director for Income and Security Issues at the General Accounting Office in Washington, DC, testified that a GAO review of the JOBS program showed that only a quarter of the people who were eligible to participate in JOBS were involved in any kind of activity; about 40 percent of the programs in the study had no full-time or part-time staff dedicated to job development; and less than one-third of the counties placed participants in on-the-job training or work supplementation programs. She concluded that "JOBS focuses too much on process, not enough on results, and it does not do nearly enough to help AFDC recipients find employers who actually may be willing to hire them."

Several witnesses suggested strategies for improving programs. Jerry R. Junkins, president and chief executive officer of Texas Instruments Inc., Dallas, TX, called for programs and systems that are "better coordinated, streamlined, consolidated where appropriate to ensure efficiency and be more user-friendly, but a main principle is that actual delivery should be administered as much as possible at the local level so that training is tailored to meet the needs of each specific community." Debra A. Bowland, administrator, Ohio Bureau of Employment Services, Columbus, OH, amplified these points: "We need legislation to enable States and localities to meet employer and worker needs. We must simplify the system and improve administrative efficiency. We need the flexibility to tailor services to customer needs. We have to ensure accountability, and programs must be implemented which promote the dignity of work."

Several witnesses maintained that vouchers could be one approach to improve programs but should not be the only approach. For example, Governor Tommy Thompson of Wisconsin told the committee that ''vouchers is just one way, and I do not think that it is really the panacea. What I really think you should do is set some standards and allow the States to adhere to those standards and set down some penalties.''

Other witnesses advocated one-stop centers as part of an improved employment training system. Secretary of Labor Robert Reich told the committee: ''With one-stop career centers, people can go anywhere and get all the information they need. They can also get unemployment insurance and assistance if they have lost their jobs.'' The Secretary noted that pilot projects in several States are already working.

Tony Young, Director of Residential Services and Community Supports at the American Rehabilitation Association testified on behalf of the Consortium for Citizens with Disabilities, Task Force on Employment and Training. Young suggested a ''two-pronged'' strategy for addressing the unique needs of individuals with disabilities. First, mandate the preservation of a distinct administrative entity with separate funding to provide services for individuals with severe disabilities, especially those that fall outside of those services readily available in consolidated job training programs. Second, require consolidated programs to practice principles that will create training and employment opportunities for individuals with disabilities, consistent with civil rights principles.

On January 18 and 19, 1995, the Committee on Labor and Human Resources held hearings in Washington, DC, on ''Examining Performance, Accountability, and the Incidence of Violence at Job Corps Sites.'' The committee heard from students who had attended Job Corps, former staff members, management staff, and administration witnesses. Gerald W. Peterson, former assistant inspector general for the Department of Labor testified that his office prepared a study last year showing that one out of five Job Corps participants is not placed in any job, does not return to school, or does not enter the armed forces; only 13 percent of the students completing the Job Corps program were placed in a job using the skills they learned; only 17 percent of total Job Corps funds actually went toward educational/vocational training; and over $100 million is wasted annually producing no measurable gain for participants in the program. Mr. Peterson also testified that ''The poor-performing centers consistently rank at the bottom, yet they continue to be fully funded despite the fact that they show little or no improvement.''

Other witnesses testified about their experience with poor-performing centers citing violence, drug abuse, sexual activity, and theft. Shirley D. Sako, a former Job Corps staff member from Piscataway, NJ, testified that centers were under pressure to maintain their ''onboard strength'' of students resulting in what she termed ''managing by the numbers.'' She observed that ''because disruptive students were kept in the program who should have otherwise been terminated, violence in the center was allowed to proliferate.'' John P. Deering, an admissions counselor for an area covering 11 Job Corps centers, testified that because of gang activity

and violence he would send youth to only two small rural facilities that he believed were safe. "I have sent youth to some of these other campuses; they come home scared, they come home frustrated," he testified.

Two witnesses testified about their positive experiences with Job Corps centers that established close linkages with the local community. Karen Anderson of St. Paul, MN, told how her company served as a work site for students who have completed the program and not yet left Job Corps. For 6 weeks, students through this work experience "can see first hand what it is like to operate a small business . . . so they can see what happens in accounting, what happens up front with the customers, how do we run production through." Luis Melendez, a police officer from New York, NY, observed that, "Over the years, the students and the staff of the [South Bronx Job Corps] center have become the best neighbors to the 46th precinct and its community members. They have opened up the facility to host a number of events, including joint community relations meetings held monthly."

On April 27, May 19, and May 25, 1995, the Senate Subcommittee on Education Arts, and Humanities conducted three hearings on adult and vocational education. The April 27 hearing focused on current federally funded vocational education programs such as tech-prep and school-to-work. Marcia Baker, director of the Burlington Technical Center in Burlington, VT, discussed the difference between tech-prep and school-to-work initiatives. She stated that tech-prep is the one vocational education initiative which is "inextricably tied to post-secondary technical training and education." One of the key points of Ms. Baker's testimony was that tech-prep must be continued because there is a "need for trained technicians who also have the basic academic and workplace readiness skills that are so necessary in today's businesses and industries." The subcommittee also heard from Susan Brown, director of the Main Youth Apprenticeship Program. Ms. Brown distinguished between the roles of the Federal, State and local governments in establishing the school-to-work program. She said the Federal Government has provided the national leadership which is important in providing not only the initial dollars, but also lending technical expertise necessary in the beginning stages of the program. The State and local contributions include the overseeing of the school-to-work grants, and involving local educators and business community representatives in both the funding and implementing stages of this effort.

Another key witness who testified before the April 27 subcommittee hearing was Peter McWalters, Rhode Island's Commissioner of Education. Mr. McWalters highlighted three areas which are essential to the reauthorization process. First, it is important to continue to "improve the quality and capacity of the secondary-post secondary education system, particularly integrating academic and occupational studies to prepare students for work." Second, vocational education should be linked with comprehensive programs for elementary and secondary school reform. Third, Mr. McWalters emphasized the importance of adult education and how it must be coordinated with other literacy and education initiatives.

The May 19 hearing highlighted federally funded adult education programs. Greg Hart, director of Pima County adult education, testified before the Senate Subcommittee on Education, Arts, and Humanities. Mr. Hart told the panel that the Pima County program serves 12,000 individuals per year. He said the current cost of the program for each student is $150 per year. Mr. Hart further stated that the ''Federal Government should encourage, without being prescriptive, partnership formation in order to maximize current existing and future resources.''

On May 25, 1995, the subcommittee examined the role of the business community in vocational education. Rebecca J. Taylor, executive director of Vocational Foundation, Inc., discussed how businesses involved with the foundation have had a major influence in developing vocational education programs in the New York City area. Some of the business community's efforts include: (1) serving on advisory boards involved in developing, evaluating, and revising classroom curricula, (2) providing teachers and administrators with information about the requirements of the workplace and industry trends, and (3) hiring graduates from various vocational education programs. She concluded her testimony by stating that ''[Federal] legislation should include a variety of incentives, financial and otherwise, to encourage business to provide work experience.''

On June 2, 1995, Senator Mike DeWine held a field hearing in Columbus, Ohio, in preparation for the Committee's consideration of S. 143 in executive session. The hearing focused primarily on the role of job training services in assisting at-risk youth and individuals with disabilities. Gabriella Hernandez, a seasonal migrant farmworker, told about the assistance she received under the Job Training Partnership Act. ''The individual one-on-one assistance from the staff is what I attribute most to my success. The JTPA staff gave me encouragement and a positive look toward my future from day one.'' Ninia Downs, executive director of government programs for the Ohio Restaurant Association and program director of Ladders to Success, described that program's success in placing individuals with disabilities into jobs in the restaurant business. With employers as active partners in the program, ''more than 800 people have been placed into competitive entry-level and skilled jobs. * * * These workers have a variety of disabilities, including mental retardation, traumatic brain injury, deafness, cerebral palsy, blindness and epilepsy. Their similarity is a desire to work.''

On June 14 and 21, 1995, the Committee on Labor and Human Resources met in executive session to consider S.143. Chairman Kassebaum offered an amendment in the nature of a substitute for S.143, the Workforce Development Act of 1995. On June 21, 1995, the chairman's substitute was adopted by a roll call vote of 10 yeas to 6 nays.

YEAS	NAYS
Kassebaum	Kennedy
Jeffords	Dodd
Coats	Simon
Gregg	Harkin
Frist	Mikulski
DeWine	Wellstone

Ashcroft
Abraham
Gorton
Pell

During consideration of the measure, there were roll call votes taken on 11 amendments. One of the amendments passed. Several amendments were adopted by voice votes. These included Senator Pell's amendment to improve the definition of dislocated workers; Senator Kennedy's amendment regarding modifications to the labor market information provisions; Senator DeWine's amendment to clarify the State plan requirements for work force employment and work force education activities; Senator Wellstone's amendment to include veterans' representatives on State and local boards; Senator Ashcroft's amendment to create incentives for States to decrease the number of adult AFDC recipients within each State by increasing the placement of such adult recipients in unsubsidized employment; Senator Ashcroft's amendment to require non-high school graduates in certain job training programs to make progress toward a high school diploma or equivalent; Senator Kennedy's amendment to provide for continued development of school-to-work systems; Senator Harkin's amendment regarding a sense-of-the-Senate in reference to welfare reform; Senator Kennedy's amendment to clarify the role of local elected officials; Senator Simon's amendment to continue the authorization of planned new Job Corps centers before they are subject to evaluation; Senator Kennedy's amendment to improve provisions regarding refugee assistance; Senator Simon's amendment to provide for Indian employment and training services, and Chairman Kassebaum's amendment to provide that final authority for the approval of State plans and disbursement of funds will remain with the Secretary of Labor and the Secretary of Education and to add two education providers and two Governors to the governing board.

1. Senator Mikulski offered an amendment to strike the Senior Community Services Employment Program from the Workforce Development Act. The amendment failed by a roll call vote of 7 yeas to 9 nays.

YEAS	NAYS
Kennedy	Kassebaum
Pell	Jeffords
Dodd	Coats
Simon	Gregg
Harkin	Frist
Mikulski	DeWine
Wellstone	Ashcroft
	Abraham
	Gorton

2. Senator Jeffords and Senator Pell offered an amendment to require that States spend a minimum of 25 percent of their allocation for education activities on adult education. The amendment failed by a roll call vote of 8 yeas to 8 nays.

YEAS	NAYS
Kennedy	Kassebaum

Pell	Coats
Dodd	Gregg
Simon	Frist
Harkin	DeWine
Mikulski	Ashcroft
Wellstone	Abraham
Jeffords	Gorton

3. Senator Dodd offered an amendment to set aside funds at the national level to address major economic dislocations and provide assistance for migrant and seasonal farmworkers. The amendment failed by a roll call vote of 8 yeas to 8 nays.

YEAS	NAYS
Kennedy	Kassebaum
Pell	Coats
Dodd	Gregg
Simon	Frist
Harkin	DeWine
Mikulski	Ashcroft
Wellstone	Abraham
Jeffords	Gorton

4. Senator Dodd offered an amendment to restore the summer youth employment program. The amendment failed by a roll call vote of 8 yeas to 8 nays.

YEAS	NAYS
Kennedy	Kassebaum
Pell	Coats
Dodd	Gregg
Simon	Frist
Harkin	DeWine
Mikulski	Ashcroft
Wellstone	Abraham
Jeffords	Gorton

5. Senator Kennedy offered an amendment to increase the authorization of appropriations for Title I to $8,102,754,000. The amendment failed by a roll call vote of 8 yeas to 8 nays.

YEAS	NAYS
Kennedy	Kassebaum
Pell	Coats
Dodd	Gregg
Simon	Frist
Harkin	DeWine
Mikulski	Ashcroft
Wellstone	Abraham
Jeffords	Gorton

6. Senator Simon offered an amendment to ensure that training for displaced homemakers be included in the uses of funds for work force employment activities. The amendment failed by a roll call vote of 7 yeas to 9 nays.

YEAS	NAYS
Kennedy	Kassebaum

Pell	Jeffords
Dodd	Coats
Simon	Gregg
Harkin	Frist
Mikulski	DeWine
Wellstone	Ashcroft
	Abraham
	Gorton

7. Senator Kennedy offered an amendment to strike the Trade Adjustment Assistance (TAA) program from the Workforce Development Act. The amendment failed by a roll call vote of 8 yeas to 8 nays.

YEAS	NAYS
Kennedy	Kassebaum
Pell	Jeffords
Dodd	Coats
Simon	Gregg
Harkin	Frist
Mikulski	DeWine
Wellstone	Ashcroft
Abraham	Gorton

8. Senator Kennedy offered an amendment to require that States establish local work force development boards. The amendment failed by a roll call vote of 8 yeas to 8 nays.

YEAS	NAYS
Kennedy	Kassebaum
Pell	Coats
Dodd	Gregg
Simon	Frist
Harkin	DeWine
Mikulski	Ashcroft
Wellstone	Abraham
Jeffords	Gorton

9. Senator DeWine offered an amendment to increase the authorization of appropriations for at-risk youth in Title II to $2,100 million. The amendment passed by a roll call vote of 12 yeas to 4 nays.

YEAS	NAYS
Jeffords	Kassebaum
Frist	Coats
DeWine	Gregg
Ashcroft	Gorton
Abraham	
Kennedy	
Pell	
Dodd	
Simon	
Harkin	
Mikulski	
Wellstone	

10. Senator Kennedy offered an amendment to change the State apportionment of funds to 40 percent for work force employment

activities, 25 percent for work force education activities, and 35 percent for work force flex activities. Senator Pell offered a second degree amendment to Senator Kennedy's amendment to change the apportionment to 33⅓ percent for work force employment activities, 33⅓ percent for work force education activities, and 33⅓ percent for work force flex activities. Senator Pell's second degree amendment failed by a roll call vote of 7 yeas to 9 nays.

YEAS	NAYS
Kennedy	Kassebaum
Pell	Jeffords
Dodd	Coats
Simon	Gregg
Harkin	Frist
Mikulski	DeWine
Wellstone	Ashcroft
	Abraham
	Gorton

Senator Kennedy's first degree amendment failed by voice vote.

11. Senator Simon offered an amendment to retain the Job Corps programs as a Federal program. The amendment failed by a roll call vote of 7 yeas to 9 nays.

YEAS	NAYS
Kennedy	Kassebaum
Pell	Jeffords
Dodd	Coats
Simon	Gregg
Harkin	Frist
Mikulski	DeWine
Wellstone	Ashcroft
	Abraham
	Gorton

IV. COMMITTEE VIEWS

TITLE I.—STATEWIDE WORK FORCE DEVELOPMENT SYSTEMS

PURPOSE

The legislation consolidates all major Federal training programs into a single block grant to the States. The purpose of the Workforce Development Act of 1995 is to enable each state to develop, a *single, unified* system of job training and training-related education activities designed to assure that:

A. There is a logical relationship among formal education, job-specific training, and the jobs available in our economy.

B. Individuals who need assistance in obtaining employment are easily able to identify the resources available for that purpose.

C. There is clear accountability for Federal dollars.

The committee intends that States will develop coherent work force development systems designed to develop more fully the academic, occupational, and literacy skills of all segments of the work

force as a means to make the Untied States more competitive in the world economy. The term ''all segments of the work force'' includes individuals with disabilities and others for whom specific categorical programs currently exist. ''All segments of the work force'' means exactly that—and is intended to be interpreted inclusively.

FUNDING AND FORMULA

The legislation authorizes $7 billion for the block grants over a 4-year period. This figure represents approximately a 15 percent reduction in current spending for similar education and training programs. The committee believes that such a reduction is justified because consolidating programs will result in the elimination of overlapping and duplicative programs, thereby saving administrative costs and increasing efficiency in the delivery of services. The committee further believes that the increased flexibility provided in this legislation should more than compensate for the reduction in funds and expects that the level of services to individuals will be maintained.

Funds made available to States through the block grants will be distributed according to a formula based on the following factors: 60 percent of the funds based on each State's percentage share of the population aged 15 to 65 years, 10 percent of the funds based on each State's percentage share of individuals aged 18 to 64 years who are at or below the official poverty line, 10 percent of the funds based on each State's percentage share of the average unemployment rate for the previous 2 years; and 20 percent based on each State's percentage share of adult recipients of Aid to Families with Dependent Children (AFDC).

In addition to these factors, there is a provision for a State minimum allocation, so that no State receives less than 0.5 percent of the total allocation. However, the application of the minimum grant provision cannot result in a grant that is larger than the product of a State's population times the national per capita payment under the formula (which is the total allocation divided by the total population).

Of the total authorization, approximately 7 percent will be reserved for national activities including State incentive grants, evaluation, technical assistance, development of a labor market information system, and support for programs for Native Americans and the outlying territories.

The remaining 93 percent will be distributed to the *States* as a single block grant. The committee believes that individual States need greater flexibility in designing systems which address their specific needs and economic conditions. Therefore, the legislative requirements on States will be minimal—with the only significant conditions being that: (1) a minimum of 25 percent of funds be used for work force employment activities and a minimum of 25 percent of funds be used for work force education activities, (2) job training activities be based on the concept of one-stop career centers, (3) school-to-work activities be supported, and (40 benchmarks by which to measure results be developed.

PRINCIPAL ELEMENTS OF WORK FORCE DEVELOPMENT SYSTEM

Within each State, funds will be divided between the two principal elements of the system; work force employment and work force education.

Work force employment activities

Out of the total amount made available to a State, a minimum of 25 percent of the funds shall be devoted to work force employment activities, under the direction of the Governor. The core work force employment activities include establishing one-stop delivery of employment services and training, developing a labor market information system, and creating a job placement accountability system. These core activities would include basis labor exchange functions such as those now supported by the Wagner-Peyser Act and job training activities such as those now supported by the Job Training Partnership Act.

The Committee believes that the current collection of disjoined employment and training programs has rendered the efficient delivery of employment services virtually impossible, and has stifled innovative solutions to meet ever-increasing needs for job placement and training. For the most part, these programs operate independently of each other, resulting in a fragmented and ineffective response to the needs of job seekers and employers alike. This legislation attempts to "wipe the slate clean" and eliminate conflicting laws, regulations, and administrative rules which have made it difficult for administrators to integrate programs funded by multiple sources.

Under this legislation, states would have the flexibility to design and implement a statewide approach to job training, based on the concept of one-stop career centers. The one-stop career center concept replaces the current fragmentation in service delivery by envisioning a system that would pride *all* individuals seeking employment with accurate information regarding employment opportunities and appropriate education or training programs.

States could combine existing programs and agencies offering related services together under one roof that would provide a comprehensive strategy for meeting the needs of individuals seeking employment. While having all services available at one location may be ideal in some situations, it may not be practical to implement in all areas. Therefore, States may choose other strategies, such as linking service providers through multiple electronic access points. Another option would be to establish a network that assures that services will be available regardless of where an individual initially enters the system. States may also use some combination of these options, but the key is to provide individuals easy access to core services and a wide array of training and education activities available in the statewide system.

The legislation specifies certain, yet minimum, core services which are to be provided through the one-stop career centers including outreach to and orientation of the services available through the one-stop career center system, assessment, job search and placement assistance, career counseling where appropriate, screening and referral of qualified applicants to employment or

other support services, and accurate and timely information relating to employment opportunities, training, education and support services.

If the system is to be successfully implemented, it must provide the public and employers with timely, accurate and easily accessible information. To facilitate the collection of such information, States shall establish comprehensive labor market information systems, as well as job placement accountability systems to track the placement of individuals into unsubsidized employment and to document the performance of education and training providers.

RELATIONSHIP BETWEEN ONE-STOP CAREER CENTERS AND THE UNEMPLOYMENT COMPENSATION SYSTEM

Employers currently pay taxes (Federal Unemployment Tax or FUT) to support the administration of an unemployment compensation system. Unemployment trust fund moneys are used for unemployment benefits, the administration of unemployment insurance, and the Employment Service. The Employment Service, established by the Wagner-Peyser Act of 1933, is the job link for the unemployed or dislocated workers and employers. The Employment service was created as a means to assist the unemployed to reenter the work force as quickly as possible, thereby reducing payments for unemployment benefits and reducing employer taxes.

The mission of the Employment Service is identical to the concept and mission of the one-stop career centers in this bill. The Employment Service provides basic job search and job placement assistance for *all* job seekers, including referral and placement services for the job-ready and workers in transition, labor market information, skill assessment and counseling, referrals to training for the non-job-ready, and a place for individuals to improve their job search skills. For employers, the Employment Service matches applicants with job vacancies and labor market information for business and economic planning. These functions are all core services that States must continue to provide through the one-stop career centers.

Because the mission of the Employment Service is duplicative with the one-stop career centers, this legislation consolidates the Employment Service into the overall statewide work force development system. The committee anticipates that many States will build their work force development systems upon existing service delivery mechanisms, and would have the discretion to integrate existing Employment Service resources into the statewide system. Some States may follow the model Ohio has adopted which has been to convert local employment security offices into Customer Service Centers that offer a central core of integrated employment and training services, with the Employment Service as the lead State agency administering the program. In other States, Employment Service personnel are participating in one-stop career centers that are managed by private companies. Still other States may choose to have the functions of the Employment Service carried out entirely by the private sector.

The committee believes that integrating the Employment Service into the statewide work force development system will improve and strengthen services for *all* individuals, and particularly for workers

in transition who are receiving unemployment benefits. Developing better labor market information, and making such information more accessible to individuals, will facilitate the return to work for many workers and reduce unemployment benefits. The committee believes that where feasible, States should pay unemployment benefits at the same location where reemployment services are provided under this act. It is the committee's intent that States ensure the continued linkage between the unemployment insurance system and such reemployment services.

Finally, it is the committee's intent that States ensure that the dedicated employer taxes which currently support these activities continue to be used exclusively for those purposes.

PERMISSIVE ACTIVITIES

The legislation provides for other permissive training activities that States may use in order to assist individuals to gain the skills necessary to become productively employed. These include activities such as on-the-job training, rapid response assistance for dislocated workers, skill upgrading and retraining for persons not in the work force, programs for adults that combine workplace training with related instruction, and preemployment and work maturity skills training for youth. It is not intended that these activities constitute the exclusive list of permissive activities. States will have maximum flexibility to tailor these activities to meet the particular needs of employers and job-seekers in each State.

States are encouraged to award incentive grants to local areas that reach or exceed the State benchmarks established to measure the effectiveness of the State's work force development system toward placing people into unsubsidized jobs.

States are also given the option, but are not required, to deliver some or all of the work force employment activities through the use of vouchers. The committee believes that the use of vouchers may, in fact, be an efficient and effective way to deliver job training services under limited circumstances. However, the committee does not believe that it would be feasible at this time to replace the current unworkable system with one that is in many ways completely unproven. Until stricter measures of accountability for service providers exist, rapid expansion of a voucher system would, in the committee's view, be unwise. The committee strongly prefers to allow States to begin testing the efficacy of vouchers in limited and controlled situations.

If a State chooses to utilize vouchers as a delivery and payment mechanism for job training activities, certain requirements must be met. These requirements include administering the vouchers through the one-stop career centers, establishing eligibility criteria to determine what activities will be funded through vouchers, which participants are eligible to receive vouchers and the value of the voucher, and which service providers will be eligible to receive payment through a voucher. In addition, States will be required to demonstrate in their State plans how the information obtained through the labor market information system about the performance of eligible providers will be utilized to assist individuals in making informed decisions as to how to use vouchers most effectively.

Work Force Employment: In-State Allocation

Out of the total amount of funds to be used by a State for work force employment activities, 25 percent shall be reserved by the Governor to carry out activities through the system and 75 percent shall be distributed to local entities to carry out activities through the system, based on such factors as population, poverty, unemployment, and the number of AFDC recipients in the State, and any additional factors the Governor determines to be necessary.

LOCAL PARTNERSHIPS AND BOARDS

Local communities, which will be responsible for carrying out the State-based work force development system, should also be given maximum flexibility in identifying local resources and developing strategies that meet local private sector and labor force needs. The challenges of a highly competitive global economy require work force development strategies that allow for rapid response to changing local economic conditions. The success of any work force development system in meeting these challenges will depend largely on the expertise, time, and resources invested by local communities. The committee intends that the statewide work force development system should draw upon the expertise and recommendations of local communities and businesses, in order to maximize available resources and ensure the cooperation of local employers, administrators, and elected officials.

The legislation requires the Governor to seek the recommendations of key stakeholders in local communities by negotiating and entering into agreements with local partnerships (or, where established, local work force development boards) for the delivery of work force employment, school-to-work, and economic development activities in each substate area. In addition to local elected officials, the active participation of representatives of business, industry, labor and workers, local secondary schools, local postsecondary education institutions, local adult education providers, rehabilitation agencies and organizations, and community-based organizations, should be sought in securing the local partnership agreement. Such an agreement must include a description of how the funds allocated to a substate area will be spent on work force employment, school-to-work, or economic development activities, and evidence of support for the agreement among the members of the local partnership (or board, as the case may be).

When appropriate, the local partnership may recommend to the Governor changes in the agreement which will improve the performance of the work force development system. Local partnerships may also assist the local one-stop career center and service providers to ensure that the work force employment, school-to-work and economic development activities are responsive to the needs to the area served. Finally, local partnerships may seek to ensure that goals and benchmarks are achieved.

If, after a reasonable effort, the Governor is unable to enter into an agreement with the local partnership (or board), the Governor shall provide the partnership (or board) an opportunity to comment upon the manner in which funds allocated to the substate area will be spent for such activities.

States and communities have the discretion to establish work force development boards as a part of their statewide work force development system, but are not required to do so. The approach taken in this legislation is to avoid mandates as much as possible, thereby allowing States and communities the flexibility to retain boards of their own choosing, or to reconstitute local and private sector involvement in a different way. It is not the committee's intent to prescribe how States should design their work force development systems at the local level.

The committee does recognize that business-led groups, such as private industry councils (PIC's), have been very effective in some cases in identifying the work force development needs in their communities. However, the overall results have been mixed. The most effective councils operate and are driven by committed business leaders with an interest in work force development, while the least effective have only nominal business involvement. The committee does not believe that merely mandating the establishment of a board or other organizational entity will ensure that employers are actively involved in the training and education needs at the State or local level. While many such entities have been created in the past, no one piece of Federal legislation has yet achieved the right mix for ensuring their effectiveness.

It is the belief of the committee, however, that short of a mandate there are significant incentives for States to establish some type of work force development board at the local level. One incentive is the strength and expertise that PIC's have developed over the past 10 years or more in administering the Job Training Partnership Act. There is a public-private infrastructure in place that the committee anticipates States will consider in designing their work force development systems. This existing expertise will be valuable for States and communities in managing the number of programs consolidated under this act. It is the committee's expectation that a strong existing local board with a solid reputation will be a voice for how work force employment, school-to-work, and economic development funds should be spent at the local level.

Another incentive is provided directly in the legislation in the form of economic development activities. States that establish State and local business-led work force development boards, as defined in this act, may use funds for economic development activities, including training for incumbent workers of small and medium-size employers in the State. The committee believes that many States would find this option attractive enough to choose to establish work force development boards.

EMPLOYER INVOLVEMENT

The design of the State's work force development system should be based on local labor market needs which, by necessity, require the active involvement of the private sector. Private sector businesses, which ultimately provide the jobs, must be included as an integral part of the system. Too often in the past, training programs have not been connected to available employment opportunities. By and large employers have lost confidence in the current public systems of labor exchange and job training development because these programs do not provide individuals with the skills

necessary to succeed in the workplace. Consequently, employers have turned to nonpublic systems to locate, select, and train employees.

Employers must be confident that training programs are providing individuals with useful skills and that one-stop career centers will give them the most qualified applicants available. Therefore, the system should require that employers and industry representatives have a lead role in the choice, design, and content of the types of skills and training needed in each local area or State in order to link education and training programs to real employment opportunities. States may choose to establish or retain existing State and local work force development boards as one means of obtaining employer involvement.

The committee cannot emphasize strongly enough the critical role businesses and employers must play in developing and implementing a State's work force development system. It is the committee's intent that employers, business organizations (such as local chambers of commerce), and industry representatives be actively involved in every step of the design and implementation of State and local work force development activities.

In the committee's view, where employers have volunteered time and effort, and have become actively engaged in State and local work force development activities, those activities have been most effective. Unfortunately, such participation cannot be mandated by law. The committee also recognizes that State and local governments, in the process of designing and implementing State and local programs, sometimes place a higher priority on preserving their own interests and prerogatives than on meeting the needs of employers and job-seekers alike. It is the hope and intention of this committee that employer involvement will become the highest priority to States and localities in the design and implementation of statewide work force development systems.

Work force education activities

Out of the total amount made available to a State, a minimum of 25 percent of the funds shall be devoted to education efforts designed and implemented by State and local educational agencies. This would include activities such as those now supported by the Carl Perkins Vocational and Applied Technology Education Act and the Audit Education Act.

The increasing demands for assistance in preparing individuals for entry into the work force, as well as for opportunities for continual learning throughout one's working career, are formidable. The legislation provides for the continuation of certain core work force education activities that have been instrumental in providing individuals with the opportunity to improve their skills. These include the integration of vocational and academic studies; linkages between secondary and postsecondary education, including tech-prep programs; career guidance and counseling activities; adult education and literacy services; and programs for adults to complete a high school education. Specific activities currently authorized by either the Perkins Act or the Adult Education Act are not precluded by this legislation. Rather, the committee intends that in addition to the required activities listed, States will also use these funds

creatively to address a State's particular work force education needs.

The legislation requires that funds made available for work force education activities will supplement, and not supplant, other public funds expended for this purpose. States must also meet a maintenance-of-effort requirement based on the fiscal effort per student or the aggregate expenditures of the State for work force education activities in the preceding fiscal year.

Work force education: In-State allocation

Out of the total amount of funds to be used by a State for work force education activities, 20 percent shall be reserved by the State educational agency to carry out State-level activities (of which not more than 5 percent may be used for administrative expenses) and 80 percent shall be distributed to eligible entities to carry out activities at the local level (of which no more than 5 percent may be used for administration).

Local eligible entities (which include local educational agencies, postsecondary institutions, and other described as eligible for financial assistance under the within-State formulas) shall submit applications to the State educational agency. Local applications shall include descriptions of the activities to be carried out, how those activities relate to the State's goals and benchmarks for work force education, how the activities are an integral part of the overall effort to improve education for all students and adults, the process to be used to monitor and continuously improve performance, and how the entity will coordinate with the local work force development board, if any, in its area.

The State shall divide its allocation for work force education activities among 2 functions: vocational education and adult education. Of the amount provided for vocational education, a State may determine the relative amounts for secondary and postsecondary vocational education.

Funds provided for secondary vocational education will be distributed according to the formula in current Perkins law, which is based primarily on counts of low-income and disabled individuals. Funds provided for postsecondary education will be distributed according to the formula in current Perkins law which gives priority to institutions serving Pell Grant recipients.

Adult education funds will be distributed by competitive grant awards.

Work force flex funds

Through a collaborative process, the State will determine how to allocate the remaining 50 percent of the block grant funds. The purposes of the flex fund provisions are to assure that individuals and entities involved with work force training and those involved with work force education will work together to identify State priorities and the means of their achievement and to permit States flexibility to allocate funds based on their unique work force development needs.

Specifically, States will have discretion in how they spend funds for work force development based on the industries in their States, various sectors of the existing work force, and the in-school popu-

lation. For example, some States may determine that a higher percentage of funds should be directed toward education efforts provided through State and local educational agencies and, therefore, will allocate more money for those purposes. Or, some States may decide that these funds could better be used to support training efforts provided by private employers or training institutions. This flexibility in the allocation of funds will also allow States to utilize innovative alternatives such as vouchers to most efficiently and effectively deliver work force development services.

The committee fully intends, however, that when and where the State determines that education services are necessary for the adequate training of eligible individuals, those services are to be provided through the work force education activities and are to be accompanied by funding to insure their delivery.

The funds are also intended to encourage States to design activities that "bridge" the worlds of school and work, and a portion of the flex funds must be used for school-to-work activities. School-to-work activities are broadly defined in this act, incorporating such key elements as the integration of school-based and work-based learning, the integration of academic and occupational learning, the establishment of effective linkages between secondary and post-secondary education, the opportunity for youth participants to complete a career major, and assistance in the form of connecting activities that link each youth participant with an employer in an industry or occupation relating to his or her career major. States would have the discretion to develop such activities to meet the unique employer needs of their States and to allocate such funds as necessary.

States which received implementation grants under the School-to-Work Opportunities Act, however, would be required to use a portion of the flex funds in order to support the continued development of their statewide school-to-work systems. Those States with grants would continue to fund the school-to-work activities in accordance with the terms of such grants. Given the fact that these grants provide limited Federal assistance, over a short period of time, the committee believes that continuing support for such a statewide system is not inconsistent with the goal of this act.

Economic development activities

States that establish State and local work force development boards will also be permitted to use a portion of these funds for economic development activities, including customized assessments of the skills of workers and an analysis of the skill needs of employers in the State; upgrading the skills of incumbent workers; productivity and quality improvement training programs for small and medium-sized employers; recognition and use of voluntary, industry-developed skills standards; training activities in companies that are developing modernization plans in conjunction with State industrial extension service offices; and on-site, industry-specific training programs supportive of industrial and economic development.

COLLABORATIVE PLANNING PROCESS

Under the legislation, the Governor will seek the support and collaboration of a broad-based group of individuals with expertise in work force development in designing the State-based system. This approach is modeled on the partnerships established under the School-to-Work Opportunities Act. This collaborative effort will include the State educational agency, representatives of business and industry, labor and workers, local elected officials, State officials responsible for vocational, adult and postsecondary education, economic development, veterans' employment, vocational rehabilitation, and other interested parties.

The committee believes that local elected officials are an important part of the collaborative body responsible for developing the State's strategic plan. To the extent practicable, individuals participating in the process should represent urban, suburban and rural areas of the State, including those areas with expertise in assisting at-risk youth and unemployed adults.

It is the expectation of the committee that this process will allow for true collaboration among the education, training, and employer communities in a way that has never been accomplished before. The success of any statewide work force development system will depend on a strong partnership among employers, educators, and government working together, and such cooperation cannot be legislated. Rather, the legislation seeks to provide strong incentives for all parties to "ante up" to the table and begin planning in a comprehensive fashion in order for the participants to share in the flex account funds.

Flex funds: In-State allocation

Funds allocated through the collaborative process out of the flex account for work force employment activities, school-to-work activities, and economic development activities will be added to the 25 percent allotment for that purpose and will be administered by the Governor.

Funds allocated through the collaborative process out of the flex account for work force education will be added to the 25 percent allocated for that purpose and will be administered by the State educational agency.

STATE PLANS

The Governor will submit a single plan, outlining a 3-year strategy for work force development in the State. The plan will contain three parts:

1. The strategic plan and allocation of the flexible work force funds, developed by the Governor through a collaborative process.
2. The plan for the one-stop career center system and work force employment activities, developed by the Governor.
3. The plan for work force education activities, developed by the State educational agency.

The State plan must be approved by the Governing Board if the plan contains the necessary information, reasonable effort was

made to prepare through the collaborative process, and State benchmarks were negotiated in accordance with the act.

State plans must address a number of fundamental issues essential to the implementation of a statewide work force development system. These include, for example:

Strategic plan and flexible work force activities

1. A description of how the State will identify the current and future work force development needs of the industry sectors most important to the economic competitiveness of the State.
2. An identification of the State goals and benchmarks and how they will make the system relevant and responsive to labor market and education needs at the local level.
3. A description of how the funds made available through the 50 percent flex account will be allocated, and how the flexible work force activities—including school-to-work activities—will be carried out to meet the State goals and benchmarks.
4. An identification of how the State will obtain the active and continuous participation of business, industry, and labor in the development and continuous improvement of the system.
5. A description of how the State will eliminate duplication in the administration and delivery of services under this act.
6. A description of the process the State will use annually to evaluate and continuously improve the performance of the system.
7. An assurance that the funds made available under this title will supplement and not supplant other public or private funds.
8. Evidence of collaboration and support among the Governor, business, industry and labor, local elected officials and key State officials in the development of the overall strategic plan.

Work force employment activities

1. An identification and designation of substate areas, including urban and rural areas, to receive funds, which to the extent feasible shall reflect local labor market areas.
2. A description of the basic features of a one-stop career center system.
3. An identification of performance indicators relating to the State goals and benchmarks for work force employment activities.
4. A description of the work force employment activities to be carried out.
5. A description of the steps the State will take over the 3 years covered by the plan to establish a statewide comprehensive labor market information system.
6. A description of the steps that the State will take over the 3 years covered by the plan to establish a job placement accountability system.
7. A description of the steps the State will take to segregate FUTA revenues from the block grant and how those funds will be used for job search, placement services, and labor market information.

Work force education

1. A description of how the funds will be allocated among adult education providers, and among secondary and postsecondary vocational education programs.

2. An identification of performance indicators relating to the State goals and benchmarks for work force education activities.

3. A description of the work force education activities to be carried out.

4. A description of how the State will address the adult education needs in the State.

5. A description of how the State will disaggregate data relating to at-risk youth in order to adequately measure the progress of the State toward meeting the State goals and benchmarks relating to at-risk youth.

6. A description of how the State will adequately address the needs of both at-risk youth who are in-school, and out-of-school at-risk youth, through alternative education programs that teach to the same challenging academic, occupational, and skill proficiencies as are provided to in-school youth.

7. A description of how the State will annually evaluate the effectiveness of the part of the plan with respect to work force education activities.

8. A description of how the State will address the professional development needs of the State with respect to work force education activities.

The committee intends that the development of the single, comprehensive plan will be accomplished through the close collaboration of all parties. Ideally, the collaborative process established to allocate the work force flex funds will be used to develop the remainder of the plan. Indeed, the elements of the strategic plan are applicable to both the work force employment and work force education activities and must be developed through the collaborative process.

In addition to the strategic plan, the plan must also contain an elaboration of the State's approach to work force employment and work force education. The purpose behind the development of these two portions of the plan is to allow those individuals and agencies with the most expertise to concentrate on how best to implement training activities and the dissemination of labor market information on the one hand, and educational activities on the other hand. The intent is not to further separate the two functions from each other but to join them in a logical fashion. The committee anticipates that all parties should learn from and comment upon the development of each part of the plan so that each State develops a unified, integrated statewide plan. The success of the statewide system depends upon it.

ACCOUNTABILITY

This act shifts accountability for Federal dollars from process to results. Rather than asking whether paperwork was filled out correctly and specific regulations were followed to the letter, the legislation focuses on whether individuals were prepared for and obtained meaningful employment. For the first time, States will be

required to show specifically the number and kinds of jobs the training system has provided. States must also show the level of skills the work force has obtained. After all, the goal of any work force development system should be to improve skills and provide jobs. This legislation will require an accountability mechanism so that taxpayers will know precisely the return on Federal dollars. For example, taxpayers will know how many jobs are being provided by each State's work force development system. The committee believes that these minimum Federal requirements are reasonable quid pro quo for giving States maximum flexibility to design and implement their own systems.

This act will require States to measure and report annually on benchmarks—measurable indicators of the progress the State has set out to achieve in meeting broad work force development goals related to employment, education, and earnings gains.

Benchmarks related to employment and earning gains include, at a minimum, placement and retention in unsubsidized employment for one year, and increased earnings for participants. Benchmarks related to education include, at a minimum, student mastery of certain skills, including: academic knowledge and work readiness skills; occupational and industry-recognized skills according to skill proficiencies for students in career preparation programs; placement in, retention in, and completion of secondary education; placement and retention in military service; and increased literacy skills. It is expected that States will develop additional benchmarks.

In addition, States must, at a minimum, show how they are meeting these goals for welfare recipients, disabled individuals, older workers, at-risk youth, and dislocated workers. Displaced homemakers are specifically included in the definition of dislocated workers, and are to be considered as such. States may add benchmarks for additional targeted populations at their discretion, such as migrant and seasonal farmworkers, food stamp recipients, veterans, refugees, and other groups who are currently served by specific categorical programs.

The Governing Board, through negotiations with States, must assess how the State's quantifiable benchmarks compare with model benchmarks established by the Governing Board and with benchmarks proposed by other States, and whether the benchmarks are sufficient to meet the State's goals. Through this negotiation process, the committee anticipated that States will set meaningful benchmarks that will lead them to achieve the goals set forth in this act.

Finally, States must establish a job placement accountability system to maintain data relating to these measures, using existing quarterly wage records available through the unemployment insurance (UI) system. Only a few States currently utilize UI wage record data as a resource to measure the effectiveness of job training and vocational education programs, even though the data is highly reliable and easily accessible. In expanding the use of UI wage record data, however, provision should be made to protect the privacy of individuals. The committee believes that in order for States to be able to collect the data which will be useful in measuring progress toward meeting their goals and benchmarks, and to

ensure the comparability of data on a national basis, such a system must be utilized.

INCENTIVES AND SANCTIONS

While the legislation gives maximum flexibility to States to design comprehensive systems for work force development, the committee believes that strong measures are needed to both encourage States to meet goals and to penalize States that do not. By providing financial incentives, States will be encouraged to attain or exceed their goals and benchmarks. By the same token, the potential for decrease in funding if a State fails to reach its goals and benchmarks will be further incentive for States to improve their systems, thereby maximizing the return on Federal dollars. In this way, the legislation provides tangible consequences for States that succeed or fail in reaching their benchmarks. By contrast, current laws fail to provide either meaningful incentives or disincentives for performance as Federal funds continue to flow for training and education regardless of results.

The Governing Board may award incentive grants of not more than $15 million annually to States that reach or exceed their benchmarks. Alternatively, the Governing Board may reduce the allotment for a State (not more than 10 percent) that fails to make measurable progress toward meeting its States benchmarks after 3 years. The Governing Board may attribute the State's failure to reach its benchmarks either to work force employment, work force education or flexible work force activities, and may reduce only that portion of the State's allotment for such activities. In this way, the Governing board may target more effectively those activities which have led to the State's poor performance, thereby allowing States to better focus subsequent efforts to improve their performance.

Funds retained as a result of reductions may be used for allotments for incentive grants.

INDIAN EMPLOYMENT AND TRAINING ACTIVITIES

The committee acknowledges the government-to-government relationship between the Federal Government and the Indian tribes and advances the policy of Indian self-determination by including provisions to address the unique employment and training needs of Indians and resource needs of Indian tribes.

The committee is aware that Indians and Alaska Natives experience the highest unemployment rate of all other populations in the American work force. This is due, in large part, to a lack of Indian educational and employment training opportunities. As a result, the ability of Indians and Alaska Natives to locate and retain employment and successfully compete in the American work force is seriously impaired. Federal programs intended to address such needs have been successful at increasing employment training and opportunities for Indians and reducing the overall unemployment rates. Therefore, to preserve the benefits of existing Indian employment and training programs, the legislation contains provisions to consolidate training and education activities currently being provided to Indians in a manner that is consistent with the purpose of the act.

The legislation provides that the Governing Board shall make grants to, or enter into contracts or cooperative agreements with, Indian tribes, organizations, and Alaska Native entities to provide consolidated training and related educational services, including vocational education, adult education, and literacy services. Such grants shall be authorized at funding levels consistent with existing laws.

An office within the Federal partnership shall be established to administer such grant activities, including drafting regulations and policies in consultation with Indian organizations, providing administrative support, and providing technical assistance to improve the work force development services provided by such entities. The committee believes that such an office is necessary to effectively address local tribal concerns and has previously demonstrated an ability to assist Indians and Alaska natives to increase their academic, occupational, and literacy skills. The committee also encourages Indian tribes to consolidate employment, training, and education programs pursuant to the Indian Employment, Training and Related Services Demonstration Act of 1992.

The committee further recognizes that Native Hawaiians have an economic status akin to Indians and Alaska natives which has resulted in a similar lack of employment and training opportunities for native Hawaiians. The committee notes that programs have been implemented which successfully address those special needs. Therefore, provisions are also included to enable Native Hawaiians to continue to receive employment training services at levels consistent with existing laws.

TITLE II.—TRANSITION PROVISIONS

WAIVERS

Conflicting regulations and differences in annual operating cycles are currently hampering the coordination of Federal programs and the delivery of needed services.

Since it will require significant planning to move to the block grant approach outlined in this act, a 2-year transition period will be provided so that all States will have sufficient time to develop their unified State plans. In the meantime, the current programs will continue to be funded as they are now.

However, States do need immediate flexibility to begin combining and consolidating programs and eliminating differences in program requirements. Therefore, this act provides authority for immediate up-front waivers for fiscal years 1996 and 1997 for the following purposes: (1) to address the high-priority needs of unemployed persons in the State or community involved for employment training or education services; (2) to improve efficiencies in the delivery of services; or (3) in the case of overlapping or duplicative activities, to combine programs and funding or to eliminate one program and increase the funding to the remaining program.

These up-front waivers would also States or local entities to combine administrative funds from any of the to-be-consolidated programs for the purpose of planning and developing the unified State plans that will be required in 1997 and 1998.

APPLICATIONS

A State seeking waivers may submit an application to the Secretary describing: (1) the requirement to be waived and the goal to be achieved through the waiver; (2) the actions the State will take to remove similar State requirements; (3) the activities to which the waiver will apply, including how activities may be continued under the State's system; (4) the number and type of persons to by affected by the waiver; and (5) evidence of support for the waiver request by the State agencies or officials with jurisdiction over the requirement to be waived. A local entity will submit a similar application to the State. With respect to waivers for work force education activities, "local entity" means a local educational agency, "State" means the State educational agency, and "Secretary" means the Secretary of Education. With respect to waivers for work force employment activities, "local entity" means the local public or private entity responsible for carrying out the activity, "State" means the Governor, and "Secretary" means the Secretary of Labor or the Secretary of Health and Human Services—whoever carries out the activity.

Waivers expire on June 30, 1998, except in the case of a State that fails to submit an interim plan—in which case its waiver expires on September 30, 1997.

APPROVAL

A State must decide whether to submit a local entity's request for a waiver within 30 days. After 30 days, the local entity may submit its request directly to the Secretary. The Secretary must approve or disapprove a State or local request within 45 days. After 45 days, the request will be deemed approved.

WAIVERS NOT AUTHORIZED

Requirements relating to the following Federal provisions may not be waived: (1) the allocation of funds to States, local entities, or individuals; (2) public health or safety, civil rights, occupational safety and health, environmental protection, displacement of employees, or fraud and abuse; (3) the eligibility of an individual for participation in a covered activity, except in a case where a State or local entity can demonstrate that such individual will participate in a similar covered activity; or (4) supplement not supplant requirements. In addition, the maintenance of effort requirement for work force education activities cannot be waived.

Interim State plans

In program year 1997, all States would be required to present a draft of their unified plan to the Federal partnership. If a State is ready to implement the new work force development system in the first year of transition, then the partnership would immediately authorize the full integration of program funds and activities as outlined in the block grant.

If a State is not ready to fully implement the new work force development system, the partnership will review the draft plan, make recommendations, and provide technical assistance. Up-front waivers will continue to be available. In addition, no other applications

or plans required by other acts will be required in fiscal years 1996 or 1997. Funding decisions for activities under those acts will be based on the last application or plan submitted.

The legislation extends the authorities for the Older American Community Service Employment Act, the Carl D. Perkins Vocational and Applied Technology Education Act, and the Adult Education Act. This extension is necessary to continue the authorization of appropriations for these three laws through the transition period. These laws will be repealed on July 1, 1998.

The committee believes that the transition process allows States that have made significant progress toward creating a comprehensive work force development system to utilize the flexibility of the block grant at the earliest possible stage. At the same time, States that need more time and assistance in integrating their programs are provided the opportunity to submit draft plans and receive feedback while there is still time to work on the final proposal.

Beginning July 1, 1998, the block grant program will be in place and States will have submitted their unified work force development plans.

Job Corps and At-Risk Youth

This subtitle is intended to provide a comprehensive strategic approach for meeting the work force development needs of at-risk youth. The legislation provides an authorization of $2.1 billion for Jobs Corps and other work force preparation activities directed specifically for at-risk youth.

Chapter 1—General Job Corps Provisions

The committee believes the Job Corps program is in need of reform. This view is based not only on testimony provided to the committee during hearings in January 1995, but on information provided to the committee subsequently as well. For example, on June 30, 1995, the General Accounting Office issued a report entitled Job Corps: High Costs and Mixed Results Raise Questions About Program's Effectiveness.

The legislation retains the essential feature of Job Corps. Assistance will continue to be provided to at-risk youth who need and can benefit from such an unusually intensive program, operated in a group setting. However, primary responsibility for the operation of Job Corps centers is transferred to the States. The committee believes that States, rather than the Federal Government, are in the best position to manage and operate Job Corps centers that are integrated with their statewide work force development systems. To achieve this, each Job Corps center must be linked to the one-stop center and other local training and education efforts. Finally, it is the intention of the committee that the Governor of each State be given the responsibility for contracting the operation of the Job Corps centers.

In addition, during the transition period, a national audit of the Job Corps program will be performed. Based on the results of the audit and other criteria, the Secretary of Labor is directed to close 25 underperforming Job Corps centers. That number reflects the approximate number of centers identified by the Department of

Labor and the Department's inspector general that have been chronically underperforming and have not been cost-effective.

The criteria used to determine which centers will be closed is as follows:

1. Whether a given center has consistently received low performance measurement ratings under the Department of Labor or inspector general Job Corps rating system.
2. Whether the center is among those that have experienced the highest number of serious incidents of violence or criminal activity.
3. Whether or not the center requires the largest funding for rehabilitation and repair.
4. The relative and absolute cost of the centers compared to all other centers.
5. Whether the center is among those with the least State and local support.

Job Corps centers in the planning and construction phase as of the date of enactment will not be included in the audit.

Chapter 2—Other Work Force Preparation Activities for At-Risk Youth

The committee believes that States should provide, in addition to Job Corps, other education and training activities specifically for at-risk youth. Of the $2.1 billion authorized under this subtitle, all funds not allocated to the operation of Job Corps centers will be distributed to the States for such work force preparation activities.

These activities may include, for example, grants to carry out programs to assist out-of-school at-risk youth in participating in school-to-work programs. Another possible use of funds would be for a State to make grants to assist public or private entities in providing work-based learning as a component of a school-to-work program. This could be in the form of a summer job, provided that the job is linked to a year-round school-to-work program. These are examples of the types of work force development activities that States may develop for at-risk youth.

It is the committee's intent that States be given the maximum flexibility to design and implement programs for at-risk youth in order to best meet the unique needs of this population. However, in order to receive funds, each State must describe in its State plan how such activities will be carried out to meet the State's goals and benchmarks. In addition, 85 percent of a State's funds must be distributed to entities at the local level.

TITLE III.—NATIONAL ACTIVITIES

FEDERAL ADMINISTRATION

Consolidation and elimination of duplicative administrative entities must begin at the Federal level and continue at the State and local levels. The overwhelming majority of the programs consolidated under this act are currently administered by the Department of Education (DOE) and the Department of Labor (DOL).

WORK FORCE DEVELOPMENT PARTNERSHIP

The legislation establishes the Work Force Development Partnership to administer the act. Building upon the existing School-to-Work Office, which was designed to be jointly administered by both Departments, this proposal goes one step further and actually transfers DOL and DOE personnel, property and relevant assets to the Partnership.

By limiting the Partnership to existing resources, this proposal does not permit any new Federal resources to be used to administer the block grant. Consequently, this act would eliminate the Office of Employment and Training in the Department of Labor, and the Office of Vocational and Adult Education in the Department of Education. Any remaining functions not transferred by this act would be referred to other offices or departments. The legislation requires that such a merger result in a one-third reduction in the number of staff necessary to perform the functions associated with the Federal administration of this act.

Consolidating existing functions into a streamlined Federal entity for work force development, with broad policy objectives, will allow the block grant program to be administered by a functionally integrated team. However, the Secretary of Labor and the Secretary of Education would retain authority for final approval of State plans and distribution of funds.

GOVERNING BOARD

The Work Force Development Partnership will be headed by a Governing Board composed of 13 members, including 7 representatives of business and industry, 2 representatives of labor and workers, 1 representative of adult education providers, 1 representative of vocational education providers, and 2 Governors, appointed by the President with the advice and consent of the Senate. The Governing Board shall be appointed not later than September 30, 1996.

The duties of the Governing Board include:

1. Overseeing the development of a national labor market information system and job placement accountability system.
2. Establishing model benchmarks, taking into account existing work force development benchmark efforts at the State level.
3. Negotiating benchmarks with the States.
4. Reviewing and approving State plans.
5. Reviewing reports on the States' progress toward their benchmarks.
6. Preparing and submitting an annual report to Congress on the absolute and relative performance of States progress toward their benchmarks.
7. Awarding incentive grants.
8. Issuing sanctions.
9. Disseminating information on best practices.
10. Performing the duties relating to the Job Corps.
11. Reviewing other federally funded work force development programs.
12. Reviewing and approving the transition work plan submitted by the Secretaries of Labor and Education.

13. Overseeing all activities of the Federal partnership.

NATIONAL ASSESSMENT OF VOCATIONAL EDUCATION PROGRAMS

The committees believes that the National Assessment of Vocational Education Programs has been a valuable resource that has guided many reauthorizations of the Carl D. Perkins Vocational and Applied Technology Education Act. Therefore, this legislation continues the authority for the Office of Educational Research and Improvement (OERI) at the U.S. Department of Education to contract with an independent group to conduct the assessment. OERI shall appoint an independent advisory panel to advise it on the implementation of the assessment.

The assessment will include descriptions and evaluations of: (1) the effect of this act on State and tribal administration of vocational education programs and on local vocational education practices; (2) expenditures at Federal, State, tribal, and local levels to address program improvement in vocational education; (3) preparation and qualifications of teachers; (4) participation in vocational education programs; (5) academic and employment outcomes of vocational education; (6) employer involvement in, and satisfaction with, vocational education programs; (7) the effect of the act's measures of accountability on the delivery of vocational education services; (8) the degree to which minority students are involved in vocational student organizations.

The Secretary of Education will submit interim and final reports to Congress in 2000.

NATIONAL CENTER FOR RESEARCH IN EDUCATION AND WORK FORCE DEVELOPMENT

The committee has also relied heavily on the research and data provided by the National Center for Research in Vocational Education, located at the University of California at Berkeley. Therefore, the committee has continued the authority for this grant and broadened its focus to apply to work force development issues broadly. The Berkeley center may continue to be funded through this act until its grant period ends on December 31, 1997.

For the period beginning in 1998, the Governing Board may award a new grant on a competitive basis to an institution of higher education, public or private nonprofit organization or agency, or a consortium to conduct research and provide technical assistance in order to increase the effectiveness and improve the implementation of work force development programs. The national center's areas of focus are to include: (1) combining academic and vocational education; (2) connecting classroom instruction with work-based learning; (3) creating a continuum of educational programs which provide multiple exit points for employment; (4) establishing high-quality support services for students; (5) developing new models for remediation of basic academic skills; (6) identifying ways to establish links among educational and job training programs at State and local levels; (7) creating new models for career guidance, counseling, and information; (8) evaluating economic and labor market changes that will affect work force needs; (9) preparing teachers and professionals; (10) obtaining information on practices in other countries that may be adapted for use in the United States; (11)

providing assistance to States and local entities in developing and using systems of performance measures and standards; and (12) maintaining a clearinghouse to provide information about the condition of systems and programs funded under this act.

The national center will also identify current needs for research and technical assistance and annually provide a summary report to Congress and the Governing Board on its results and findings.

NATIONAL LABOR MARKET INFORMATION SYSTEM

It has become increasingly important, due to expanded international competition, technological advances, and structure changes in the U.S. economy, that reliable, timely and relevant information on key economic and employment conditions be developed. Job seekers and employers alike need the most reliable information available about jobs, hours, wages and employer requirements for worker skills in order to make employment, career and economic development decisions. Currently, the collection of labor market information is fragmented, funding is irregular, and relevance of much of the data for job seekers, employers, and administrators of training and education programs at the local level is questionable.

This legislation consolidates the myriad, far flung information activities and funds, now scattered over at least five separate Federal agencies, into a streamlined system with the Bureau of Labor Statistics (BLS) in the leadership role. The Governing Board, with the principal assistance of the BLS, and other Federal agencies where appropriate, will oversee the development, maintenance and continuous improvement of a nationwide integrated labor market information system. The employment and consumer information provided through this system must be current, comprehensive, automated, accessible and easy for job seekers and employers to understand. The types of employment information to be provided include, for example, job vacancies, wages, benefits and skill requirements of occupations, as well as current and projected employment opportunities and trends by industry and occupation. The types of consumer information to be provided include, for example, the cost and effectiveness of training and education providers, including the percentage of program completion, the acquisition of skills and the job placement and earnings of participants, and other relevant information that may be useful for individuals in making informed choices among providers.

It is the committee's intent that the development and dissemination of labor market information be focused at the point where it will be most useful—at the state and local level through the one-stop career centers. Therefore, the legislation promotes the development of good state and local information by creating a true and unique partnership between the Governing Board and the BLS, at the federal level, and with the States and the State Labor Market Information (LMI) offices at the state and local level. The state LMI offices are on the front lines for data requests from employers and the public and, thus, should be involved in the Governing Board's planning and data design activities for labor market information. This will help to ensure that the needs of real people in local labor markets are maintained as a top priority.

To complement this partnership, the legislation recognizes in law the Federal interest and role in State and local labor market information. It also gives the Governing Board a mandate for State and local data gathering activities, something that the BLS and other Federal agencies involved in LMI activities do not currently enjoy. Within these parameters, States are given sufficient flexibility to design their statewide labor market information systems to meet local needs, while ensuring the comparability of the data across State lines.

TITLE IV.—AMENDMENTS TO THE REHABILITATION ACT OF 1973

Title I of the Rehabilitation Act authorizes the vocational rehabilitation program, which provides counseling, training and employment services for individuals with disabilities. Each State operates vocational rehabilitation programs, which provide access to qualified rehabilitation counselors who assist individuals with disabilities, especially those with severe disabilities, in planning for employment, securing training, and acquiring jobs. The Federal Government supplies about 78 percent of the funding for vocational rehabilitation.

The committee believes that vocational rehabilitation should be coordinated as much as possible with the comprehensive work force development system developed under this bill. The amendments to title I of the Rehabilitation Act of 1973 make it clear that services funded under that act are to be integral components of a seamless system of work force development. The vocational rehabilitation program therefore becomes a subset of a larger employment and training system in a State, but retains its own statutory authority and funding stream.

Vocational rehabilitation programs represent "one-stop" centers that provide core services and more, including referrals and coordination with other entities. These programs sometimes co-locate with other job training programs. Under the comprehensive "one-stop" system developed in this legislation, vocational rehabilitation services for individuals with severe disabilities may or may not be provided in the same facilities in which core job training services are provided. The key is that individuals receive job training and placement assistance and referrals from other parts of the system, not that all services they receive occur in one location. Throughout the job training system those involved in coordinating and arranging for these services would follow the same procedures and policies when interacting with applicants and clients.

One intent of the legislation is to offer individuals with disabilities access to job training and employment assistance within the system—not outside of it. The legislation also recognizes the need to make core services available to individuals with disabilities and to offer specialized and/or intensive services to individuals with severe disabilities who need such services.

To address the limitations of current job training options with regard to individuals with disabilities the bill took a two-pronged approach. The first prong addresses access to one-stop centers of the work force development system. In title I of the bill individuals with disabilities are offered access to the same core services and

optional services as other individuals. Title I specifies core services that are to be made available and requires States to report, through benchmarks, on how well they have done in serving individuals with disabilities and four other groups of individuals. Furthermore, the interests of individuals with disabilities are to be represented on planning bodies (e.g., work force development boards).

The second prong of the approach addressed the specialized and intensive services some individuals with disabilities require in order to prepare for, secure, or advance in employment. The amendments to title I of the Rehabilitation Act made in this bill do not modify the current authorization of appropriations provisions and do not modify provisions related to the administrative structure and designated agency status and authority of State vocational rehabilitation agencies.

The amendments in this bill provide for the linkage and integration of the activities of State vocational rehabilitation programs and State work force development systems. Such linkages and integration continue the availability of specialized and/or intensive services to individuals with disabilities who need such services through vocational rehabilitation programs. Such linkages and integration also allow technical assistance and training from State vocational rehabilitation programs to be shared with other components of the State work force development system, particularly staff of one-stop centers, to assist them appropriately and effectively in serving individuals with disabilities directly and referring individuals with disabilities who require specialized or intensive services to vocational rehabilitation programs. Thus, under the work force development system, individuals with disabilities would be able to access core services and necessary auxiliary aids and services through the system's one-stop centers, and if they have highly specialized needs, they would receive assistance from qualified rehabilitation professionals, who may or may not be co-located with a local one-stop site.

Some specific examples of ''linking'' provisions are: The legislation adds definitions for three terms—''statewide work force development system,'' ''work force development activities,'' and ''work force employment activities''—to the ''Definitions'' section of the Rehabilitation Act, defining them as they are defined in title I of this bill. The legislation gives the Commissioner of the Rehabilitation Services Administration the authority to provide consultative services and technical assistance to public and nonprofit private agencies to achieve the meaningful participation of individuals with disabilities in the statewide work force development system. The reporting and evaluation provisions in the Rehabilitation Act are amended to bring them in line with reporting and evaluation obligations within the work force development system, and the standards and indicators established under title I of the Rehabilitation Act, to the maximum extent appropriate, are required to be consistent with benchmarks established under title I of the bill. The legislation adds a provision encouraging links between members of a State Vocational Rehabilitation Council and any boards that may be established.

Some amendments to the Rehabilitation Act repeal, consolidate, or revise provisions, especially State grant provisions under title I of the Rehabilitation Act. The committee adopted these amendments to facilitate coordination and clarify the relationship between vocational rehabilitation agencies and other components of the work force development system, to make it easier for States to understand and comply with requirements, and to enhance the delivery of services within the work force development system. Thirteen of 35 current State grant provisions were deleted.

The committee also adds a requirement to refer individuals with disabilities, who are not eligible for services when an order of selection is in effect, to other components of the work force development system; a requirement to report statewide needs assessment results to the Commissioner, reporting information about individuals with the most severe disabilities separately if an order of selection is in effect; and a requirement to describe training that will be offered to vocational rehabilitation personnel and personnel of the providers of core services in the work force development system.

The legislation streamlines the provisions pertaining to personnel development, especially the scope of reporting requirements. In an effort to reaffirm the need to spend vocational rehabilitation dollars on job training and employment, the committee deletes the authority for designated State vocational rehabilitation agencies to spend funds from title I of the Rehabilitation Act on construction or surgery. With regard to the obligation for vocational rehabilitation agencies to identify comparable benefits and services prior to expending rehabilitation dollars for authorized services, the committee deleted the exception for "any individual at extreme medical risk."

The committee did not amend titles II through VIII of the Rehabilitation Act, nor the provisions authorizing the Client Assistance Program.

TITLE V.—AMENDMENTS TO THE IMMIGRATION AND NATIONALITY ACT

It is the committee's intent that refugees, along with *all* individuals seeking employment, be served through the statewide work force development system established under this bill. Currently, employment-related services for refugees are provided as part of a comprehensive package of resettlement services provided through the Refugee Social Services and Targeted Assistance program administered by the Office of Refugee Resettlement (ORR). This integrated package of adjustment services includes services such as health screening, English language instruction, cross-cultural orientation, vocational training, and employment services. According to the Department of Health and Human Services, approximately 49.2 percent of the funding for this program in fiscal year 1994 was directly related to employment and training.

It is not the intent of this committee, however, to eliminate any services currently provided to refugees as a part of the Targeted Assistance program that are not directly related to employment assistance. Therefore, the amendments made to the Immigration and Nationality Act in this act would only prohibit funds authorized

under that program from being used for work force employment activities.

TITLE VI.—REPEALS OF EMPLOYMENT AND VOCATIONAL AND ADULT EDUCATION PROGRAMS

The bill will repeal 90 programs contained in the following statutes:

The following programs will sunset immediately upon enactment:
- State Legalization Impact Assistant Grant (SLIAG)
- Title II of Public Law 95–250
- Displaced Homemakers Self-Sufficiency Assistance Act
- Appalachian Vocational and Other Education Facilities & Operations
- Job Training for the Homeless Demonstration Project
- Section 5322 of title 49, U.S.C.
- Subchapter I of chapter 421 of title 49, U.S.C.

The following programs will sunset on July 1, 1998:
- Food Stamp Employment and Training
- Job Training Partnership Act
- Carl Perkins Vocational and Applied Technology Education Act
- Adult Education Act
- Job Opportunities and Basic Skills (JOBS)
- Trade Adjustment Assistance (TAA), sections 235 and 236
- NAFTA-Transitional Adjustment Assistance
- Wagner-Peyser Act
- Adult Education for the Homeless
- Senior Community Service Employment Program (SCSEP), title V of Older Americans Act
- School-to-Work Opportunities Act

V. COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 21, 1995.

Hon. NANCY LANDON KASSEBAUM,
Chairman, Committee on Labor and Human Resources,
U.S. Senate, Washington, DC.

DEAR MADAM CHAIRMAN: The Congressional Budget Office has reviewed S. 143, the Workforce Development Act of 1995, as ordered reported by the Senate Committee on Labor and Human Resources on June 21, 1995.

Enactment of S. 143 would affect direct spending by repealing mandatory job training programs. Therefore, pay-as-you-go procedures would apply to the bill.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Christi Hawley.

Sincerely,

JAMES L. BLUM
(for June E. O'Neill).

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill Number: S. 143.

2. Bill Title: Workforce Development Act of 1995.

3. Bill Status: As ordered reported by the Senate Committee on Labor and Human Resources on June 21, 1995.

4. Bill Purpose: S. 143 would repeal the authorizations of appropriations for many education and job training programs, and would modify other education and labor programs. In place of the programs repealed, two new state grant programs would be established beginning July 1, 1998: one for work force employment and education, and one for at-risk you activities. The bill also would establish a governmental corporation to administer the new grant programs and would provide for transitional activities for states and the federal government beginning in 1996. The corporation would be governed by a Board of Directors consisting of the Secretaries of Labor and Education and other members representing industry and labor.

5. Estimated cost to the Federal Government: Most of the spending that would occur under S. 143 would be subject to the availability of appropriated funds. For purposes of this estimate, CBO assumes that the bill will be enacted by the end of this fiscal year, and that the funds authorized by the bill for the 1996–2000 period will be appropriated. Estimated outlays are based on historical spending patterns of programs that are similar to the block grants created by the bill.

This bill would affect direct spending by repealing certain mandatory programs including Food Stamp Employment and Training, Job Opportunities for Basic Skills, and Trade Adjustment Assistance Training programs.

The following table summarizes the estimated impact of the bill on direct spending. Direct spending for training and child-care programs affected by this bill would total $5.7 billion in outlays over the five years from 1996 to 2000, compared with $9.8 billion under current law. Table 1 (attached) shows these direct spending effects through 2002.

DIRECT SPENDING UNDER S. 143

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000
Projected Spending for Affected Training and Child-Care Programs Under Current-Law						
Trade adjustment assistance training:						
Estimated budget authority	125	129	116	126	92	92
Estimated outlays	102	126	125	122	115	99
Job Opportunities for basic skills:						
Estimated budget authority	1,300	1,000	1,000	1,000	1,000	1,000
Estimated outlays	980	938	949	959	969	970
AFDC child care (JOBS portion):						
Estimated budget authority	605	640	675	715	750	795
Estimated outlays	605	640	675	715	750	795
Food stamp employment and training:						
Estimated budget authority	160	163	165	168	171	174
Estimated outlays	160	163	165	168	171	174
Total projected spending under current law:						
Estimated budget authority	2,190	1,932	1,956	2,009	2,013	2,061

DIRECT SPENDING UNDER S. 143—Continued

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000
Estimated outlays	1,847	1,867	1,914	1,964	2,005	2,038
Proposed Changes						
Program repeals:						
Trade adjustment assistance:						
Estimated budget authority	.....	.....	.....	−126	−92	−92
Estimated outlays	.....	.....	.....	−38	−84	−99
Job Opportunities for basic skills (JOBS):						
Estimated budget authority	.....	.....	.....	−250	−1,000	−1,000
Estimated outlays	.....	.....	.....	−240	−969	−970
JOBS child care:						
Estimated budget authority	.....	.....	.....	−134	−563	−596
Estimated outlays	.....	.....	.....	−134	−563	−596
Food stamp employment and training:						
Estimated budget authority	.....	.....	.....	−40	−171	−174
Estimated outlays	.....	.....	.....	−40	−171	−174
Subtotal, program repeals:						
Estimated budget authority	.....	.....	.....	—550	−1,826	−1,862
Estimated outlays	.....	.....	.....	−452	−1,787	−1,839
Related welfare effects:						
Family support payments:						
Estimated budget authority	.....	.....	.....	21	119	260
Estimated outlays	.....	.....	.....	21	119	260
Food stamps:						
Estimated budget authority	.....	.....	.....	29	162	277
Estimated outlays	.....	.....	.....	29	162	277
Earned income tax credit:						
Estimated budget authority	.....	.....	.....	.....	−7	−39
Estimated outlays	.....	.....	.....	.....	−7	−39
Medicaid:						
Estimated budget authority	.....	.....	.....	.....	10	61
Estimated outlays	.....	.....	.....	.....	10	61
Subtotal, related welfare effects:						
Estimated budget authority	.....	.....	.....	50	284	559
Estimated outlays	.....	.....	.....	50	284	559
Total changes:						
Estimated budget authority	.....	.....	.....	−500	−1,542	−1,303
Estimated outlays	.....	.....	.....	−402	−1,503	−1,280
Direct Spending for Affected Training and Child Care Programs Under S. 143						
Estimated budget authority	2,190	1,932	1,956	1,459	187	199
Estimated outlays	1,847	1,867	1,914	1,512	218	199

Components may not sum to totals due to rounding.

The following table shows discretionary spending under S. 143 with and without adjustments for inflation where such sums as necessary are authorized. When inflation is considered, authorizations of appropriations total $45.2 billion over the 1996–2000 period, as compared with $38.3 billion under current law. When inflation is not considered, the authorizations of appropriations total $44.3 billion over the 1996–2000 period, as compared with $34.7 billion under current law. Tables 2 and 3 (attached) provide details on the costs and savings associated with individual provisions.

DISCRETIONARY SPENDING UNDER S. 143

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000
AUTHORIZATIONS OF APPROPRIATIONS WITH ADJUSTMENTS FOR INFLATION						
Authorizations of appropriations under current law:						
Estimated authorization	8,563	8,412	7,140	7,394	7,649	7,737
Estimated outlays	7,903	8,304	8,214	7,416	7,398	7,602
Total proposed change:						
Estimated authorization	—	425	1,997	1,697	1,416	1,327
Estimated outlays	—	76	578	1,563	1,396	1,489
Authorizations of appropriations under S. 143:						
Estimated authorization	8,563	8,837	9,137	9,092	9,065	9,064
Estimated outlays	7,903	8,380	8,793	8,980	8,794	9,091
AUTHORIZATIONS OF APPROPRIATIONS WITHOUT ADJUSTMENTS FOR INFLATION						
Authorizations of appropriations under current law:						
Estimated authorizations	8,563	8,142	6,684	6,684	6,684	6,531
Estimated outlays	7,903	8,279	7,976	6,975	6,714	6,666
Proposed changes:						
Estimated authorizations	—	411	1,870	2,409	2,386	2,538
Estimated outlays	—	74	551	1,511	2,052	2,415
Authorizations of appropriations under S. 143:						
Authorization level	8,563	8,553	8,553	9,092	9,070	9,070
Estimated outlays	7,903	8,353	8,528	8,487	8,766	9,081

Components may not sum to totals due to rounding.

NOTE.—Authorizations of Education programs assume a one-year extension as provided under the General Education Provisions Act (GEPA).

The costs of this bill fall within budget functions 500 and 600.

6. Basis of estimate:

Direct Spending

S. 143 would repeal existing mandatory programs, including Food Stamp Employment and Training, Job Opportunities for Basic Skills, and Trade Adjustment Assistance Training programs effective July 1, 1998.

Trade Adjustment Assistance.—This bill would repeal Trade Adjustment Assistance training programs beginning July 1, 1998. This repeal would save $0.2 billion in outlays from 1998–2000. Cash benefits for trade adjustment assistance are not repealed by S. 143. Under current law, a displaced worker must be in a training program in order to receive cash benefits, but waivers of this requirement are permitted. Therefore, CBO assumed that the repeal of the training programs would not disrupt the cash benefit program.

Job Opportunities and Basic Skills (JOBS) and Food Stamp Employment and Training.—The bill would repeal the Job Opportunities and Basic Skills Training (JOBS) and Food Stamp Employment and Training programs effective July 1, 1998. The JOBS program is a capped entitlement to states for providing training to recipients to Aid to Families with Dependent Children (AFDC). The Food Stamp Employment and Training program provides mostly job search and job search training to food stamp recipients. Under the Balanced Budget Act, spending in both programs in considered mandatory. In place of these programs, the bill would designate welfare recipients as a priority group to receive services under the new discretionary block grant.

As a general rule, CBO does not project savings in mandatory programs that would depend on future appropriations for discretionary program. Thus, in estimating the budgetary effects of repealing the two mandatory job training programs, CBO includes effects on other entitlement programs from those repeals. CBO does not include potential saving that could result if appropriations are provided for the discretionary block grants authorized by this bill and if services are provided to the persons who would have received them under the repealed program.

Repealing the JOBS program would result in $240 million in outlay savings in fiscal year 1998 and about $970 million in each fiscal year thereafter. Additional savings and costs would be associated with the interactions between JOBS and other entitlement programs. Because under S. 143 spending would no longer be required for job training for AFDC recipients, AFDC recipients who would otherwise have been enrolled in job and training programs with guaranteed child care would no longer have to be provided child care services. CBO estimates this reduction in AFDC child care services would result in outlay savings of $134 million in fiscal year 1998, increasing to about $600 million in 2000.

Under the Food Stamp Employment and Training program, each state currently receives a share of $75 million dollars each fiscal year, plus a 50 percent match on any additional expenditures for program and participant costs, including transportation and child care. CBO estimates that repealing the Food Stamp Employment and Training program effective in July 1998 would save the federal government $40 million in 1998, $171 million in 1999, and $174 million in 2000 in outlays for that program.

The savings from repealing JOBS and Food Stamp Employment and Training would be partially offset by increased costs in other welfare programs. Research has shown that training and work programs for AFDC and food stamp recipients help some recipients leave welfare faster than they would have without the programs, generating savings in AFDC, Food stamps, and Medicaid, and small costs in the Earned Income Tax Credit. In addition, food stamp benefits are reduced for individuals who do not comply with the work requirements of the Food Stamp Program.

If individuals who are served in these mandatory job training programs under current law would continue to be served under the new block grant, benefit payments relative to current law would remain unchanged. In addition, with this participation the costs of child care under AFDC would not be affected.

Vocational Rehabilitation Services.—Funds for the basic state grants for vocational rehabilitation services authorized under Title I of the Rehabilitation Act are considered mandatory spending under the Balanced Budget Act. S. 143 would make many changes to this grant program. current state requirements would be altered to streamline and coordinate the program with other work force development programs established in this bill. In 1995, the basic state grant program was funded at $2.1 billion. The revised program authorized by S. 143 would retain the current legislative language for the program's funding mechanism. Each year's authorized funding level would be the preceding year's appropriation level adjusted for projected inflation. Because this funding level would

not be altered, there would be no direct spending effect from the programmatic changes to the state grant program. Also, the authorization for the unfunded innovation and development grants established under Title I of the Rehabilitation Act would be repealed. This repeal would not affect projected spending because no funds were included in the baseline projections for the unfunded program.

Authorizations of appropriations

Title I.—Title I of this bill would establish a new program of grants to states for work force employment and education activities. If the programs are funded at the authorized levels, new budget authority for these grants would total $7.0 billion a year in fiscal years 1998–2001.

Title II.—This title would authorize work force preparation activities for at-risk youth, including the operation of Job Corps Centers. The grant program would be authorized at $2.1 billion for fiscal years 1998–2001. Funds are to be appropriated on a forward-funded or program-year basis; funds would become available July 1 of the year for which funds were appropriated. Because JTPA youth programs are currently funded in this manner, estimated outlays reflect the spending patterns of the current programs.

Title II also contains provisions to reauthorize through fiscal year 1998 the following programs: Title V of the Older Americans Act (the Older Americans Community Service Employment Program), the Carl Perkins Vocational and Applied Technology Act, and the Adult Education Act. These programs currently are authorized only through fiscal year 1995, although the Carl Perkins and Adult Education Acts would be automatically extended through fiscal year 1996 under the General Education Provisions Act. Reauthorizing these programs for the years specified would increase budget authority by $6.2 billion over five years, if the funding provided includes adjustments for inflation. These reauthorizations would increase budget authority $5.6 billion if inflation is not considered.

Title III.—This title would make provisions for the transition to the new block grant by funding national partnership activities, including the transfer of personnel from the Departments of Labor, Education, and Health and Human Services. This title provides for $500,000 in administrative expenses for 1996 and 1997. Also, this title would require the Department of Labor and the Department of Education to reduce by one-third the number of employees who work on activities related to this bill. The remaining personnel would be transferred to the government corporation that would manage work force education and training activities. The staffing reductions, combined with the transitional administrative provisions, would result in savings of about $0.1 billion over the 1996–2000 period.

Title VI.—Title VI would repeal several existing job training and education programs in two stages. Some would be repealed immediately; others would be repealed as of July 1, 1998. For purposes of this estimate, CBO assumed an effective date for immediate repeals of October 1, 1995. Because none of the programs being immediately repealed are authorized beyond fiscal year 1995, this es-

timate does not show any savings from these repeals. Programs that would be repealed immediately include state legalization grants, the Redwood National Park unemployment program, the displaced homemakers self-sufficiency program, Appalachian Regional Development vocational training, homeless job training, and the Federal Aviation Administration's employee protection program. Programs that would be repealed as of July 1, 1998, include the Adult Education Act, the Carl Perkins Vocational Education and Applied Technology Act, the School-to-Work Opportunities Act, the Wagner-Peyser Act, the Job Training Partnership Act, Title V of the Older Americans Act, and Title VII of the Stewart B. McKinney Homeless Assistance Act.

Budget authority savings from these repeals would total about $9.5 billing in 1998, after also accounting for the new authorizations provided by the bill as well as accounting for inflation. If inflation is not considered, these repeals would total $8.6 billion in 1998.

When authorized levels for 1996 and beyond are compared to baseline projections that include discretionary inflation, the bill would result in a net decrease in budget authority of about $0.4 billion for fiscal year 1998 and $2.2 billion over the 1996–2000 period. Table 4 (attached) shows the changes proposed in S. 143 relative to the 1995 baseline with inflation. Program reauthorizations provided for in Title II are not shown separately in Table 4, because continued authorization of programs is implicit in baseline figures.

When these authorized levels are compared to 1995 funding levels without adjustments for inflation, the bill would result in a net increase in budget authority of $0.5 billion for fiscal year 1998 and $1.5 billion over the 1996–2000 period. Table 5 (attached) shows the changes proposed in S. 143 relative to the 1995 funding levels. As with Table 4, program reauthorizations provided for in Title II are not shown separately in Table 5, because continued authorization of programs is implicit in baseline figures.

7. Pay-as-you-go considerations: Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1998. The pay-as-you-go effects of the bill as follows:

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998
Change in outlays	.....	.....	.....	−402
Change in receipts	(1)	(1)	(1)	(1)

[1]Not applicable.

8. Estimated cost to State and local governments: S. 143 would require certain actions by the states in order for them to receive funding under any of the block grant programs it would establish. Many of the processes required in the act are similar to current requirements. However, application and reporting requirements, as well as funding streams, are consolidated under this bill, which could provide for administrative efficiencies at the state level.

This bill would increase discretionary authorizations for job training activities, while at the same time it would eliminate mandatory spending for these purposes. Many of the state match requirements, as well as work requirements for certain populations,

would be eliminated. S. 143 does require a state maintenance-of-effort for education activities, however. The bill also requires that federal funds provided by these grants supplement, but not supplant, state spending for these purpose. States would be required to set goals for assisting participants in obtaining meaningful unsubsidized employment, with emphasis on providing services to welfare recipients, individuals with disabilities, older workers, at-risk youth, and dislocated workers. One of the criteria for incentive grants to be given under this act is the extent to which recipients of Aid to Families with Dependent Children are moved off of the welfare rolls and into unsubsidized employment.

The bill would allow the governing board of the government corporation to award incentive grants of not more than $15 million per program year to a state that reaches or exceeds its benchmarks, or that has made substantial reductions in the number of adult recipients of AFDC as a result of placing these individuals in unsubsidized employment. A state that fails to demonstrate sufficient progress may have its grant amount reduced by up to 10 percent per program year for up to three years.

Under S. 143, funding to states for vocational rehabilitation programs would be maintained at about the 1995 level.

9. Estimate comparison: None.

10. Previous CBO estimate: None.

11. Estimate prepared by: Sheila Dacey, Christi Hawley, Deborah Kalcevic, and Dorothy Rosenbaum.

12. Estimate approved by: Paul N. Van de Water, Assistant Director for Budget Analysis.

TABLE 1.—PROJECTED DIRECT SPENDING UNDER S. 143

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000	2001	2002
PROJECTED SPENDING UNDER CURRENT LAW								
Trade adjustment assistance training:								
Estimated budget authority	125	129	116	126	92	92	92	92
Estimated outlays	102	126	125	122	115	99	92	92
Job opportunities for basic skills:								
Estimated budget authority	1,300	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Estimated outlays	980	938	949	959	969	970	970	970
AFDC child care (JOBS portion):								
Estimated budget authority	605	640	675	715	750	795	843	893
Estimated outlays	605	640	675	715	750	795	843	893
Food stamp employment and training:								
Estimated budget authority	160	163	165	168	171	174	177	180
Estimated outlays	160	163	165	168	171	174	177	180
Total projected spending under current law:								
Estimated budget authority	2,190	1,932	1,956	2,009	2,013	2,061	2,112	2,165
Estimated outlays	1,847	1867	1,914	1,964	2,005	2,038	2,082	2,135
PROPOSED CHANGES								
Program Repeals:								
Trade adjustment assistance:								
Estimated budget authority	.....	.....	.....	−126	−92	−92	−92	−92
Estimated outlays	.....	.....	.....	−38	−84	−99	−92	−92
Job opportunities for basic skills (JOBS):								
Estimated budget authority	.....	.....	.....	−250	−1,000	−1,000	−1,000	−1,000
Estimated outlays	.....	.....	.....	−240	−969	−970	−970	−970
JOBS child care:								
Estimated budget authority	.....	.....	.....	−134	−563	−596	−632	−670
Estimated outlays	.....	.....	.....	−134	−563	−596	−632	−670
Food stamp employment and training:								
Estimated budget authority	.....	.....	.....	−40	−171	−174	−177	−180
Estimated outlays	.....	.....	.....	−40	−171	−174	−177	−180
Subtotal program repeals:								
Estimated budget authority	.....	.....	.....	−550	−1,826	−1,862	−1,901	−1,942

Estimated outlays	.....	.....	.....	−452	−1,787	−1,839	−1,871	−1,912
Realted welfare effects:								
Family support payments								
Estimated budget authority	.....	.....	.....	21	119	260	432	542
Estimated outlays	.....	.....	.....	21	119	260	423	542
Food stamps:								
Estimated budget authority	.....	.....	.....	29	162	277	317	349
Estimated outlays	.....	.....	.....	29	162	277	317	349
Earned income tax credit:								
Estimated budget authority	.....	.....	.....	29	162	277	317	349
Estimated outlays	.....	.....	.....	29	162	277	317	349
Earned income tax credit:								
Estimated budget authority	.....	.....	.....	.....	−7	−39	−85	−138
Estimated outlays	.....	.....	.....	−7	−39	−85	−138	
Medicaid :								
Estimated budget authority	.....	.....	.....	.....	10	61	141	245
Estimated outlays	.....	.....	.....	.....	10	61	141	245
Subtotal of related welfare effects:								
Estimated budget authority	.....	.....	.....	50	284	559	805	998
Estimated outlays	.....	.....	.....	50	284	559	796	998
Total Changes:								
Estimated budget authority	.....	.....	.....	−500	−1,542	−1,303	−1,096	−944
Estimated outlays	.....	.....	.....	−402	−1,502	−1,280	−1,075	−914
Direct Spending Under S. 143:								
Estimated budget authority	.....	2,190	1,932	1,956	1,459	187	199	211	223
Estimated outlays	.....	1,847	1,867	1,914	1,512	218	199	211	223

Components may not sum to totals due to rounding.
Total Direct Spending Under S. 143 excludes offsets from welfare-related effects.
Although changes have been made to the Rehabilitation Act, the funding level would not be altered under S. 143. Therefore, no changes to that Act are shown in this table.

TABLE 2.—PROJECTED DISCRETIONARY SPENDING UNDER S. 143 INCLUDING INFLATION FOR UNSPECIFIED AUTHORIZATIONS

(By fiscal year, in millions of dollars)

	1995	1996	1997	1998	1999	2000
Authorizations under current law:						
Estimated authorization	8,563	8,412	7,140	7,394	7,649	7,737
Estimated outlays	7,903	8,304	8,214	7,416	7,398	7,602
PROPOSED CHANGES						
Title I–III: New programs:						
Wordforce Development Block Grant:						
Estimated authorization	.....	.....	.....	7,000	7,000	7,000
Estimated outlays	.....	.....	.....	575	5,651	6,830
At-Risk Youth Block Grant:						
Estimated authorization	.....	.....	.....	2,100	2,100	2,100
Estimated outlays	.....	.....	.....	118	1,707	2,100
National activities:						
Estimated authorization	.....	1	1	−8	−35	−36
Estimated outlays	.....	.....	.....	−7	−29	−35
Subtotal of new programs:						
.						
Estimated authorization	.....	1	1	9,092	9,065	9,064
Estimated outlays	.....	.....	.....	686	7,329	8,895
Reauthorization of existing programs:						
Senior community service employment:						
Estimated authorization	.....	424	438	454	0	0
Estimated outlays	.....	76	391	440	371	38
Carl Perkins Vocational and Applied Technology Act:						
.						
Estimated authorization	.....	.....	1,251	1,295	1,340	0
Estimated outlays	.....	.....	150	1,006	2,266	1,169
Adult Education Act:						
Estimated authorization	.....	.....	307	318	329	0
Estimated outlays	.....	.....	37	249	313	289
Subtotal of reauthorizations:						
Estimated authorization	.....	424	1,996	2,067	1,669	0
Estimated outlays	.....	76	578	1,694	1,950	1,496
Total changes, TieleslI–III:						
Estimated authorization	.....	425	1,997	11,159	10,734	9,064
Estimated outlays	.....	76	578	2,381	9,280	10,391
Title VI: Program repeals:						
State Legalization Grants:						
Estimated budget authority	.....	0	0	0	0	0
Estimated outlays	.....	0	0	0	0	0
Redwood unemployment:						
Estimated authorization	.....	0	0	0	0	0
Estimated outlays	.....	0	0	0	0	0
Displaced homemakers self sufficiency:						
Estimated authorization	.....	0	0	0	0	0
Estimated outlays	.....	0	0	0	0	0
Appalachian Regional Development Act:						
Estimated authorization	.....	0	0	0	0	0
Estimated outlays	.....	0	0	0	0	0
Homeless job training:						
Estimated authorization	.....	0	0	0	0	0
Estimated outlays	.....	0	0	0	0	0
FAA Employee Protection Program:						
Estimated authorization	.....	0	0	0	0	0
Estimated outlays	.....	0	0	0	0	0
Adult Education Act:						
Estimated authorization	.....	.....	.....	−318	−329	0

TABLE 2.—PROJECTED DISCRETIONARY SPENDING UNDER S. 143 INCLUDING INFLATION FOR UNSPECIFIED AUTHORIZATIONS—Continued

(By fiscal year, in millions of dollars)

	1995	1996	1997	1998	1999	2000
Estimated outlays	.....	.....	.....	−38	−262	−281
Carl Perkins Vocational Education and Applied Technology Education Act:						
Estimated authorization	.....	.....	.....	−1,295	−1,340	0
Estimated outlays	.....	.....	.....	−156	−1,066	−1,144
School to Work Opportunities Act:						
Estimated authorization	.....	.....	.....	−277	−286	−148
Estimated outlays	.....	.....	.....	−33	−228	−262
Wagner-Peyser Act:						
Estimated authorization	.....	.....	.....	−1,153	−1,192	−1,234
Estimated outlays	.....	.....	.....	−239	−1.184	−1,201
Job Training Partnership Act:						
Estimated authorization	.....	.....	.....	−5,893	−6,096	−6.310
Estimated outlays	.....	.....	.....	−261	−4,751	−5,905
Senior community service employment:						
Estimated authorization	.....	.....	.....	−464	0	0
Estimated outlays	.....	.....	.....	−82	−334	−38
Stewart B. McKinney homeless assistance:						
Estimated authorization	.....	.....	.....	−72	−75	−45
Estimated outlays	.....	.....	.....	−9	−58	−70
Subtotal title VI:						
Estimated authorization	.....	0	0	−9,462	−9,318	−7,737
Estimated outlays	.....	0	0	−817	−7,883	−8,902
Total changes:						
Estimated authorization	.....	425	1,997	1,697	1,416	1,327
Estimated outlays	.....	76	578	1,563	1,396	1,489
Authorization Under S. 143:						
Estimated authorization	8,563	8,837	9,137	9,092	9,065	9,064
Estimated outlays	7,903	8,380	8,793	8,980	8,794	9,091

Components may not sum to totals due to rounding.
Note.—Authorizations of education programs assume a one-year extension as provided under the General Education Provisions Act.

TABLE 3.—PROJECTED DISCRETIONARY SPENDING UNDER S. 143 NOT INCLUDING INFLATION FOR UNSPECIFIED AUTHORIZATIONS

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000
Authorizations under current law:						
Estimated authorization	8,563	8,142	6,684	6,684	6,684	6,531
Estimated outlays	7,903	8,279	7,976	6,975	6,714	6,666
PROPOSED CHANGES						
Titles I–III: New programs:						
Workforce Development Block Grant:						
Estimated authorization	—	—	—	7,000	7,000	7,000
Estimated outlays	—	—	—	559	5,652	6,828
At-Risk Youth Block Grant:						
Estimated authorization	—	—	—	2,100	2,100	2,100
Estimated outlays	—	—	—	118	1,707	2,100
National activities:						
Estimated authorization	—	1	1	−8	−30	−30
Estimated outlays	—	—	—	−6	−26	−29
Subtotal of new Programs:						
Estimated authorization	—	1	1	9,092	9,070	9,070
Estimated outlays	—	—	—	672	7,333	8,899

TABLE 3.—PROJECTED DISCRETIONARY SPENDING UNDER S. 143 NOT INCLUDING INFLATION FOR UNSPECIFIED AUTHORIZATIONS—Continued

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000
Reauthorization of existing programs:						
Senior community service employment:						
Estimated authorization	—	411	411	411	0	0
Estimated outlays	—	74	376	411	337	34
Carl Perkins Vocational and Applied Technology Act:						
Estimated authorization	—	—	1,171	1,171	1,171	0
Estimated outlays	—	—	141	937	1,148	1,030
Adult Education Act:						
Estimated authorization	—	—	288	288	288	0
Estimated outlays	—	—	35	231	284	255
Subtotal of Reauthorizations:						
Estimated authorization	—	411	1,869	1,869	1,459	0
Estimated outlays	74	551	1,579	1,768	1,320	
Total Changes, Titles I–III:						
Estimated authorization	—	411	1,870	10,961	10,528	9,070
Estimated outlays	—	74	551	2,250	9,101	10,218
Title VI: Program Repeals:						
State Legalization Grants:						
Estimated budget authority	—	0	0	0	0	0
Estimated outlays	—	0	0	0	0	0
Redwood unemployment:						
Estimated authorization	—	0	0	0	0	0
Estimated outlays	—	0	0	0	0	0
Displaced homemakers self sufficiency:						
Estimated authorization	—	0	0	0	0	0
Estimated outlays	—	0	0	0	0	0
Appalachian Regional Development Act:						
Estimated authorization	—	0	0	0	0	0
Estimated outlays	—	0	0	0	0	0
Homeless job training:						
Estimated authorization	—	0	0	0	0	0
Estimated outlays	—	0	0	0	0	0
FAA Employee Protection Program:						
Estimated authorization	—	0	0	0	0	0
Estimated outlays	—	0	0	0	0	0
Adult Education Act:						
Estimated autorization	—	—	—	−288	−288	0
Estimated outlays	—	—	—	−35	−230	−247
Carl Perkins Vocational Education and Applied Technology Education Act:						
Estimated authorization	—	—	—	−1,171	−1,171	0
Estimated outlays	—	—	—	−141	−937	−1,007
School to Work Opportunities Act:						
Estimated authorization	—	—	—	−250	−250	−125
Estimated outlays	—	—	—	−30	−200	−230
Wagner-Peyser Act:						
Estimated authorization	—	—	—	−1,042	−1,042	−1,042
Estimated outlays	—	—	—	−216	−1,042	−1,042
Job Training Partnership Act:						
Estimated authorization	—	—	—	−5,326	−5,326	−5,326
Estimated outlays	—	—	—	−236	−4,286	−5,181
Senior Community service employment:						
Estimated authorization	—	—	—	−411	0	0
Estimated outlays	—	—	—	−74	−302	−34
Stewart B. McKinney homeless assistance:						
Estimated authorization	—	—	—	−65	−65	−38
Estimated outlays	—	—	—	−8	−52	−62

TABLE 3.—PROJECTED DISCRETIONARY SPENDING UNDER S. 143 NOT INCLUDING INFLATION FOR UNSPECIFIED AUTHORIZATIONS—Continued

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000
Subtotal, title VI:						
Estimated authorization	—	0	0	−8,553	−8,142	−6,531
Estimated outlays	—	0	0	−739	−7,049	−7,804
Total Changes:						
Estimated authorization	—	411	1,870	2,409	2,386	2,538
Estimated outlays	—	74	551	1,511	2,052	2,415
Authorizations under S. 143:						
Estimated authorization	8,563	8,553	8,553	9,092	9,070	9,070
Estimated outlays	7,903	8,353	8,528	8,487	8,766	9,081

Components may not sum to totals due to rounding.
Note—Authorizations of education programs assume a one-year extension as provided under the General Education Provisions Act.

TABLE 4.—PROJECTED DISCRETIONARY SPENDING CHANGES INCLUDED IN S. 143 ESTIMATED RELATIVE TO THE CBO FEBRUARY 1995 BASELINE INCLUDING DISCRETIONARY INFLATION ADJUSTMENTS

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000
Current programs included in CBO baseline including discretionary inflation:						
Budget authority	8,563	8,846	9,147	9,473	9,799	10,142
Outlays	7,903	8,380	8,800	9,120	9,433	9,770
PROPOSED CHANGES						
Titles I–III: New programs:						
Workforce Development Block Grant:						
Budget authority	.....	.....	.....	7,000	7,000	7,000
Outlays	.....	.....	.....	575	5,651	6,830
At-Risk Youth Block Grant:						
Budget authority	.....	.....	.....	2,100	2,100	2,100
Outlays	.....	.....	.....	118	1,707	2,100
National activities:						
Budget authority	.....	1	1	−8	−35	−36
Outlays	.....	*	*	−7	−29	−35
Subtotal of reauthorizations:						
Budget authority	.....	1	1	9,092	9,065	9,064
Outlays	.....	*	*	686	7,329	8,895
Title VI: Program repeals:						
State Legalization Grants:						
Budget authority	.....	0	0	0	0	0
Outlays	.....	0	0	0	0	0
Redwood unemployment:						
Budget authority	.....	0	0	0	0	0
Outlays	.....	0	0	0	0	0
Displaced homemakers self sufficiency:						
Budget authority	.....	0	0	0	0	0
Outlays	.....	0	0	0	0	0
Appalachian Regional Development Act:						
Budget authority	.....	−5	−5	−6	−6	−6
Outlays	.....	−0	−2	−3	−4	−5
Homeless job training:						
Budget authority	.....	−5	−5	−6	−6	−6
Outlays	.....	−1	−4	−5	−6	−6
FAA Employee Protection Program:						
Budget authority	.....	0	0	0	0	0
Outlays	.....	0	0	0	0	0
Adult Education Act:						
Budget authority	.....	.....	.....	−318	−329	−341
Outlays	.....	.....	.....	−38	−262	−322

TABLE 4.—PROJECTED DISCRETIONARY SPENDING CHANGES INCLUDED IN S. 143 ESTIMATED RELATIVE TO THE CBO FEBRUARY 1995 BASELINE INCLUDING DISCRETIONARY INFLATION ADJUSTMENTS—Continued

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000
Carl Perkins Vocational Education and Applied Technology Education Act:						
Budget authority	.....	.....	.....	−1,295	−1,340	−1,386
Outlays	.....	.....	.....	−155	−1,066	−1,310
School to Work Opportunities Act:						
Budget authority	.....	.....	.....	−277	−286	−296
Outlays	.....	.....	.....	−33	−228	−280
Wagner-Peyser Act:						
Budget authority	.....	.....	.....	−1,153	−1,192	−1,234
Outlays	.....	.....	.....	−239	−1,184	−1,201
Job Training Partnership Act:						
Budget authority	.....	.....	.....	−5,893	−6,096	−6,310
Outlays	.....	.....	.....	−261	−4,751	−5,905
Senior community service employment:						
Budget authority	.....	.....	.....	−454	−470	−486
Outlays	.....	.....	.....	−82	−419	−471
Stewart B. McKinney homeless assistance:						
Budget authority	.....	.....	.....	−72	−75	−77
Outlays	.....	.....	.....	−9	−58	−74
Subtotal, title VI:						
Budget authority	.....	−10	−11	−9,473	−9,799	−10,142
Outlays	.....	−1	−6	−826	−7,978	−9,574
Total changes:						
Budget authority	.....	−10	−10	−381	−734	−1,078
Outlays	.....	−1	−6	−140	−649	−679
Current programs included in CBO baseline without discretionary inflation revised for S. 143:						
Budget authority	8,563	8,837	9,137	9,092	9,065	9,064
Outlays	7,903	8,380	8,793	8,980	8,794	9,091

Components may not sum to totals due to rounding.

TABLE 5.—PROJECTED DISCRETIONARY SPENDING CHANGES INCLUDED IN S. 143 ESTIMATED RELATIVE TO THE CBO FEBRUARY 1995 BASELINE WITHOUT DISCRETIONARY INFLATION (WODI) ADJUSTMENTS

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000
Current programs included in CBO baseline without discretionary inflation:						
Budget authority	8,563	8,563	8,563	8,563	8,563	8,563
Outlays	7,903	8,354	8,533	8,562	8,564	8,564
PROPOSED CHANGES						
Titles I–III: New programs:						
Workforce Development Block Grant:						
Budget authority	.....	.....	.....	7,000	7,000	7,000
Outlays	.....	.....	.....	559	5,652	6,828
At-Risk Youth Block Grant:						
Budget authority	.....	.....	.....	2,100	2,100	2,100
Outlays	.....	.....	.....	118	1,707	2,100
National activities:						
Budget authority	.....	1	1	−8	−30	−30
Outlays	.....	.....	.....	−6	−26	−29
Subtotal of Reauthorizations:						
Budget authority	.....	1	1	9,092	9,070	9,070
Outlays	.....	.....	.....	672	7,333	8,899

TABLE 5.—PROJECTED DISCRETIONARY SPENDING CHANGES INCLUDED IN S. 143 ESTIMATED RELATIVE TO THE CBO FEBRUARY 1995 BASELINE WITHOUT DISCRETIONARY INFLATION (WODI) ADJUSTMENTS—Continued

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000
Title VI: Program repeals:						
State Legislative Grants:						
Budget authority	.....	0	0	0	0	0
Outlays	.....	0	0	0	0	0
Redwood unemployment:						
Budget authority	.....	0	0	0	0	0
Outlays	.....	0	0	0	0	0
Displaced homemakers self sufficiency:						
Budget authority	.....	0	0	0	0	0
Outlays	.....	0	0	0	0	0
Appalachian Regional Development Act:						
Budget authority	.....	−5	−5	−5	−5	−5
Outlays	.....	−0	−2	−3	−4	−5
Homeless job training:						
Budget authority	.....	−5	−5	−5	−5	−5
Outlays	.....	−1	−4	−5	−5	−5
FAA Employee Protection Program:						
Budget authority	.....	0	0	0	0	0
Outlays	.....	0	0	0	0	0
Adult Education Act:						
Budget authority	.....	.....	.....	−288	−288	−288
Outlays	.....	.....	.....	−35	−230	−282
Carl Perkins Vocational Education and Applied Technology Education Act:						
Budget authority	.....	.....	.....	−1,171	−1,171	−1,171
Outlays	.....	.....	.....	−141	−937	−1,148
School to Work Opportunities Act:						
Budget authority	.....	.....	.....	−250	−250	−250
Outlays	.....	.....	.....	−30	−200	−245
Wagner-Peyser Act:						
Budget authority	.....	.....	.....	−1,042	−1,042	−1,042
Outlays	.....	.....	.....	−216	−1,042	−1,042
Job Training Partnership Act:						
Budget authority	.....	.....	.....	−5,326	−5,326	−5,326
Outlays	.....	.....	.....	−236	−4,286	−5,181
Senior community service employment:						
Budget authority	.....	.....	.....	−411	−411	−411
Outlays	.....	.....	.....	−74	−376	−411
Stewart B. McKinney homeless assistance:						
Budget authority	.....	.....	.....	−65	−65	−65
Outlays	.....	.....	.....	−8	−52	−65
Subtotal, title VI:						
Budget authority	.....	−10	−10	−8,563	−8,563	−8,563
Outlays	.....	−1	−5	−747	−7,132	−8,382
Total charges:						
Budget authority	.....	−10	−10	530	507	507
Outlays	.....	−1	−5	−75	201	517
Current programs included in CBO baseline without discretionary inflation revised to S. 143:						
Budget authority	8,563	8,553	8,553	9,092	9,070	9,070
Outlays	7,903	8,353	8,528	8,487	8,766	9,081

Components may not sum to totals due to rounding.

VI. Regulatory Impact Statement

The committee has determined that there will be substantial reductions in the regulatory burden of paperwork as the result of this legislation.

VII. SECTION-BY-SECTION ANALYSIS

Section 1. Short Title; Table of Contents.—Provides a short title and a table of contents.

Section 2. Purposes.—Contains the findings and purposes of Congress in enacting the bill.

Section 3. Definitions.—Provides definitions for the principal terms used in the bill.

TITLE I.—STATEWIDE WORK FORCE DEVELOPMENT SYSTEMS

SUBTITLE A—STATE PROVISIONS

Section 101. Statewide Work Force Development Systems Established.—Provides that, beginning in fiscal year 1998, the Governing Board shall make allotments to States to assist in paying for the cost of establishing development systems in each State.

Section 102. State Allotments.—Section 102 provides that the funds will be allocated to the States according to a formula based on the following factors: 60 percent of the funds based on each State's percentage share of the population ages 15 to 65 years, 10 percent of the funds based on each State's percentage share of individuals ages 18 to 64 years who are at or below the official poverty line, 10 percent of the funds based on each State's percentage share of the average unemployment rate for the previous 2 years, and 20 percent based on each State's percentage share of adult recipients of Aid to Families with Dependent Children (AFDC).

No State shall receive less than 0.5 percent of the total allocation, but cannot receive an allocation that is larger than the product of the State's population ages 15 to 65 times the national per capita payment under the formula.

Section 103. State Apportionment by Activity.—Section 103 provides that of the funds made available under this act, 25 percent shall be made available for work force employment activities, 25 percent shall be make available for work force education activities, and 50 percent shall be made available for work force flex activities. (The 25 percent portion for work force employment activities includes FUTA revenue which can only be spent for job search, placement services and the development of labor market information.)

Section 104. State Plans.—Section 104(a) provides that the Governor shall submit a 3-year comprehensive State work force development plan to the Governing Board.

Subsection (b) of section 104 provides that each plan must contain three parts: (1) the strategic plan and flexible work force activities shall be developed by the Governor, in collaboration with the private sector and a broad-based group of individuals with expertise in work force development, (2) the one-stop career center system and work force employment activities shall be developed by the Governor, and (3) the work force education activities shall be developed by the State educational agency.

Subsection (c) of section 104 sets forth the required contents of the State plan, as follows:

1. *With respect to the overall strategic plan for the system.*—(a) a description of how the State will identify the current and future work force development needs of the industry sectors most important to the economic competitiveness of the State; (b) a description of how the State will identify the current and future work force development needs of all segments of the population; (c) an identification of the State goals and benchmarks and how they will make the system relevant and responsive to labor market and education needs at the local level; (d) a description of how the State will coordinate work force development activities to meet the State goals and benchmarks; (e) a description of how the funds made available through the 50 percent flex account will be allocated, and how the flexible work force activities—including school-to-work activities—will be carried out to meet the State goals and benchmarks; (f) an identification of how the State will obtain the active and continuous participation of business, industry and labor in the development and continuous improvement of the system; (g) an identification of how any funds that a State receives under this title will be leveraged with other public and private resources to maximize the effectiveness of such resources for all work force development activities; (h) a description of how the State will eliminate duplication in the administration and delivery of services under this act; (i) a description of the process the State will use to annually evaluate and continuously improve the performance of the system; (j) an assurance that the funds made available under this title will supplement and not supplant other public or private funds; (k) an identification of the steps that the State will take over the 3 years covered by the plan to establish common data collection and reporting requirements for work force development activities and vocational rehabilitation program activities; (l) with respect to economic development activities, a description of the activities to be carried out and how those activities will lead directly to increased earnings of nonmanagerial employees in the State; (m) and (n) evidence of collaboration and support among the Governor, business, industry and labor, local elected officials and key State officials in the development of the overall strategic plan.

2. *With respect to work force employment activities.*—(a) an identification and designation of substate areas, including urban and rural areas, to receive funds, which to the extent feasible shall reflect local labor market areas; (b) a description of the basic features of a one-stop career center system; (c) an identification of performance indicators relating to the State goals and benchmarks for work force employment activities; (d) a description of the work force employment activities to be carried out; (e) a description of the steps the State will take over the 3 years covered by the plan to establish a statewide comprehensive labor market information system; (f) a description of the steps that the State will take over the 3 years covered by the plan to establish a job placement accountability system; and (g) a description of the steps the State will take to segregate FUTA revenues from the block grant and how those funds will be used for job search, placement services, and labor market information.

3. *With respect to work force education activities.*—(a) a description of how the funds will be allocated among adult education pro-

viders, and among secondary and postsecondary vocational education programs; (b) an identification of performance indicators relating to the State goals and benchmarks for work force education activities; (c) a description of the work force education activities to be carried out; (d) a description of how the State will address the adult education needs in the State; (e) a description of how the State will segregate data relating to at-risk youth in order to adequately measure the progress of the State toward meeting the State goals and benchmarks relating to at-risk youth; (f) a description of how the State will adequately address the needs of at-risk youth in-school and through alternative education programs that teach to the same challenging academic, occupational, and skill proficiencies as are provided for in-school youth; (g) a description of how the funds and activities carried out under this part of the plan are an integral part of comprehensive State efforts to improve education for all students and adults; (h) a description of how the State will annually evaluate the effectiveness of the part of the plan with respect to work force education activities; (i) a description of how the State will address the professional development needs of the State with respect to work force education activities; (j) a description of how the State will provide local educational agencies with technical assistance; and (k) a description of how the State will assess its progress in implementing student performance measures.

Subsection (d) of section 104 sets forth the procedure for developing the strategic plan, including a description of the manner in which the governor, business, industry and labor, local elected officials and key State officials collaborated in the development of the plan and evidence of agreement and support for the plan among the collaborators.

Subsection (e) of section 104 provides that a State plan will be approved if the Governing Board determines that the State (1) has included the information described in subsection (c), (2) has developed the plan in accordance with the procedures established under this act, and (3) has negotiated the State benchmarks with the Governing Board.

Subsection (f) of section 104 provides that nothing in this act shall be construed to provide any individual with an entitlement to a service provided under this act.

Section 105. State Work Force Development Boards.—Section 105(a) provides that a Governor may establish a State Work Force Development Board, on which a majority of the members are representatives of business and industry, not less than 25 percent of the members are representatives of labor, workers, and community-based organizations, and that includes representatives of veterans, State officials for education and vocational rehabilitation.

Subsection (b) of section 105 provides that the chairperson of the board shall be from business and industry.

Subsection (c) of section 105 provides for the functions of the board.

Section 106. Use of Funds.—Section 106(a) provides for how a State shall use its allocation of funds for work force employment activities:

(1) To establish a means of providing one-stop access to the statewide work force development system through the core services described below, which may be provided either through multiple, connected access points, linked electronically or otherwise, through a network that assures participants that such core services will be available regardless of where the participant initially enters the system, at not less than one physical location in each substate area, or through some combination of these options. The core services include outreach and orientation to the services available through the one-stop career center system, including assessment, job search and placement assistance, career counseling where appropriate, screening and referral of qualified applicants to employment, accurate and timely information relating to employment opportunities, training, education and support services, and referral to appropriate services;

(2) To establish a comprehensive labor market information system;

(3) To establish a job placement accountability system;

(4) To use for any of the following discretionary uses: additional services which may be provided through one-stop access, including the collocation of related services such as unemployment insurance, veterans' employment services, or welfare assistance, intensive services, and the dissemination of information on one-stop activities to employers; training activities such as occupational skills training, on-the-job training, and rapid response for dislocated workers; staff development and training; incentive grants for substate areas that exceed its goals; vouchers—A State may deliver work force employment activities through vouchers, along the following guidelines:

1. Vouchers must be administered through the one-stop career center system;

2. The State must establish eligibility criteria for individuals to receive vouchers and for providers of employment, training and education service;

3. The State must demonstrate in its State plan how it will utilize the information obtained through the labor market information system about the performance of eligible providers to assist individuals to make informed decisions as to how to use their voucher most effectively.

Subsection (b) of section 106 provides for how a State shall use its allocation of funds for work force education activities: to provide activities that include the integration of academic and vocational education, linkages between secondary and post-secondary education (including tech-prep), career counseling, basic education and literacy services and programs for adults and out-of-school youth to complete their secondary education.

Subsection (c) of section 106 provides that funds made available for work force education activities shall supplement, and not supplant, other public funds. This subsection also includes a maintenance of effort provision.

Subsection (d) of section 106 provides how a State shall use its allocation of funds of work force flex activities: to carry out school-to-work activities, work force employment activities and work force education activities.

Sebsection (e) of section 106 provides that States which establish State and local private-sector led work force development boards may use a portion of their work force flex funds for economic development activities, including training for the incumbent work forces of small and medium-size employers in the State.

Subsection (f) of section 106 provides that no funds provided for economic development activities may be used to pay the wages of workers during training or to encourage or induce the relocation of businesses to the State.

Subsection (g) of section 106 requires that individuals who desire to participate in certain work force employment activities obtain, or be working toward, a high school diploma or its equivalent.

SUBTITLE B—LOCAL PROVISIONS

Section 111. Local Apportionment by Activity.—Section 111(a) provides that of the funds made available to a State for work force employment activities, 25 percent shall be reserved by the Governor to carry out activities through the system and 75 percent shall be distributed to local entities to carry out activities through the system, based on such factors as population, poverty, unemployment, and the number of AFDC recipients in the State, and any additional factors the Governor determines to be necessary.

Subsection (b) of section 111 provides that of the funds made available to a State for work force education activities, 20 percent shall be reserved by the State educational agency to carry out activities through the system (of which not more than 5 percent may be used for administrative expenses) and 80 percent shall be distributed to eligible entities to carry out activities through the system. The State shall divide its 25 percent allocation for work force education activities among 2 functions: secondary or postsecondary vocational education and adult education.

Subsection (c) of section 111 provides that nothing in this title shall prohibit any individual or agency (other than the SEA) that is currently administering work force education activities from continuing to do so.

Section 112. Distribution for Secondary School Vocational Education.—Subsections (a) through (d) of section 112 provide that funds shall be distributed according to the formula in current Perkins law which is based primarily on counts of low-income and disabled individuals.

Section 113. Distribution for Postsecondary and Adult Vocational Education.—Subsections (a) through (e) of section 113 provide that funds shall be distributed according to the formula in current Perkins law which give priority to institutions serving Pell Grant recipients.

Section 114. Distribution for Adult Education.—Subsections (a) through (c) of section 114 provide that funds shall be distributed according to provisions in the current Adult Education Act regarding State discretion and competitive awards at the local level.

Section 115. Special Rule for Minimal Allocation.—Section 115 provides that in situations where a minimal amount (not more than 15 percent) is made available by a State educational agency for distribution under sections 108 or 109, an alternative method for distribution other than the formula may be used.

Section 116. Redistribution.—Provides that funds not expended during an academic year shall be returned to the State educational agency for redistribution.

Section 117. Local Application for Work Force Education Activities.—Section 117(a) provides that an eligible entity desiring to carry out work force education activities shall submit an application to the State educational agency.

Subsection (b) of Section 117 sets forth the contents of the local application.

Section 118. Local Partnerships, Agreements, and Work Force Development Boards.—Section 118(a) provides that the Governor must negotiate and enter into agreements with local partnerships (or, where established, local work force development boards) for the delivery of work force development activities in each substate area. Such an agreement must include a description of how the funds allocated to a substate area will be spent on work force employment, school-to-work, or economic development activities, and evidence of support for the agreement among the members of the local partnership (or board).

If, after reasonable effort the Governor is unable to enter into an agreement with the local partnership (or board), the Governor shall provide the local partnership (or board) and opportunity to comment upon the manner in which funds allocated to a substate area will be spent for such activities.

Subsection (b) of section 118 provides that a State may establish local work force development boards, on which a majority of the members are representative of business and industry.

Subsection (c) of section 118 provides that a State will be eligible to use a portion of the funds under the work force flex account for economic development activities.

SUBTITLE C—PROVISIONS FOR OTHER ENTITIES

Section 121. Indian Employment and Training Activities.—Provides that the Governing Board shall make grants to, or enter into contracts or cooperative agreements with, Indian tribes, organizations, and Alaska Native entities to provide consolidated training and related educational services.

Section 122. Grants to Outlying Areas.—Provides that the Governing Board shall make grants to outlying areas to carry out work force development activities.

SUBTITLE D—GENERAL PROVISIONS

Section 131. Accountability.—Section 131(a) provides that States must measure and report annually on benchmarks—measurable indicators of the progress the State has set out to achieve in meeting broad work force development goals related to employment and education.

Subsection (b) of section 131 sets for the two principal work force development goals of this act: to assist individuals in obtaining meaningful employment, and to develop the academic, occupational, and literacy skills of all segments of the population.

Subsection (c) of section 131 provides that States must develop quantifiable benchmarks to measure the State's progress toward meeting these goals including, at a minimum, placement and reten-

tion in unsubsidized employment for 1 year, increased earnings for participants, and mastery in certain skill categories. In addition States must show how they are meeting these goals for welfare recipients, disabled individuals, older workers, at-risk youth, and dislocated workers.

The Governing Board must assess how the State's quantifiable benchmarks compare with model benchmarks established by the Governing Board, with benchmarks proposed by other States, and whether the benchmarks are sufficient to meet the State's goals. The Governing Board must notify the State within 30 days of receipt of its plan whether its benchmarks are sufficient to make the State eligible to receive an incentive grant. If not, the Governing Board must provide the State an opportunity to revise its benchmarks in order to make it eligible to receive an incentive grant.

Subsection (d) of section 131 provides that States must establish a job placement accountability system to maintain data relating to these measures, using existing quality wage records available through the unemployment insurance system.

Section 132. Incentives and Sanctions. Section 132(a) provides that the Governing Board may award incentive grants on a yearly basis to States that reach or exceed their benchmarks.

Section (b) of section 131 provides that the Governing Board may reduce the allotment for a State (up to 10 percent) that fails to make measurable progress toward meeting its State benchmarks after 3 years. The Governing Board may attribute the State's failure to reach its benchmarks to either work force employment, work force employment, work force education or flexible work force activities, and may reduce that portion of the State's allotment for such activities.

Subsection (c) of section 132 provides that the Governing Board may use the funds retained as a result of reductions in allotments for incentive grants.

Section 133. Unemployment Trust Fund.—Provides that FUTA revenue (formerly funding Wagner-Peyser) shall only be used to carry out the core services relating to job search, placement assistance, and labor market information provided through the one-stop career center system.

Section 134. Authorization of Appropriations.—Authorizes appropriations of $7 billion for the block grant for each of fiscal years 1998 through 2001. Of this authorization, 1.25 percent shall be designated for Native Americans, 0.2 percent for the Territories, 1.4 percent for labor market information, 0.15 percent for national evaluations, and 4.3 percent for incentive grants.

Section 135. Effective Date.—This title shall take effect on July 1, 1998.

TITLE II.—TRANSITION PROVISIONS

SUBTITLE A—TRANSITION PROVISIONS RELATING TO USE OF FEDERAL FUNDS FOR STATE AND LOCAL ACTIVITIES

Section 201. Waivers.—Sections 201(a) provides that a State or local entity may apply for a waiver from certain statutory or regulatory provisions under any of the programs covered by this act during the 2-year transition period.

Subsection (b) of section 201 provides that a State must submit an application for a waiver to the Secretaries.

Subsection (c) of section 201 provides that a local entity must submit an application for a waiver to the State, and the State must decide whether to submit the application to the secretaries within 30 days of receiving the request from the local entity. If the State does not submit the request within 30 days, the local entity may submit the request directly to the Secretaries.

Section (d) of section 201 lists certain requirements of law that cannot be waived.

Subsection (e) of section 201 provides that waivers may be approved to address the high priority needs of unemployed persons, to improve efficiencies in the delivery of services, to eliminate duplication, or to sue administrative funds to pay for the cost of developing the interim and regular State plans.

Subsections (f) and (g) of section 201 provide that if the Secretaries fail to approve or disapprove a request for a waiver within 45 days of receiving the request, then it shall be deemed to be approved. The waiver may subsequently be terminated if it is determined to relate to a requirement of law that cannot be waived under subsection (d).

Subsection (h) of section 201 provides definitions for the principal terms used in this section.

Subsection (i) of section 201 contains conforming amendments to the School-to-Work Opportunities Act

SUBTITLE B—TRANSITION PROVISIONS RELATING TO APPLICATIONS AND PLANS

Section 211. Interim State Plans.—Subsection 211(a) provides every state must submit an interim State plan to the Governing Board no later than September 30, 1996.

Subsection (b) of section 211 provides that the interim State plan must comply with the requirements for a regular State plan under section 104.

Subsections (c), (d) and (e) of section 211 provide that the Governing Board may approve the interim plan and authorize the full integration of program funds and activities as provided in the block grant in fiscal year 1997. If the Governing Board disapprove the interim plan, it must make recommendations and provide technical assistance to the State for developing an approvable plan to be submitted in fiscal year 1998. Disapproval of an interim plan shall not affect a waiver already approved in section 201 for fiscal year 1997.

Section 212. Applications and Plans Under Covered Acts.—Provides that notwithstanding any other provision of law, no State or local entity will be required to submit an application or a plan in fiscal years 1996 or 1997 in order to receive funding under any program which will ultimately be repealed under this act.

SUBTITLE C—JOB CORPS AND OTHER WORK FORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH

Chapter 1—General Job Corps Provisions

Section 221. Purposes.—Contains the purposes of this subtitle.

Section 222. Definitions.—Provides definitions for the principal terms used in this subtitle.

Section 223. General Authority.—Provides that a State shall use a portion of the funds under this subtitle to maintain and carry out activities through Job Corps centers located within the State.

Section 224. Individuals Eligible for the Job Corps.—Provides that in order to be eligible for Job Corps, an individual must be an at-risk youth.

Section 225. Screening and Selection of Applicants.—Section 225(a) provides that the State shall determine the specific standards and procedures for the screening and selection of Job Corps enrollees which, to the extent practicable, are implemented through one-stop career centers or other appropriate agencies.

Subsection (b) of section 225 provides that no individual shall be selected as an enrollee unless there is a reasonable expectation that the individual can participates successfully in the program, and that the individual manifests a basic understanding of the rules of the program and the consequences of failing to observe the rules.

Section 226. Enrollment and Assignment.—Section 226(a) provides that enrollment in Job Corps shall not relieve any individual of obligations under the Military Selective Service Act.

Subsection (b) of section 226 provides that enrollees shall be assigned to the Job Corps center within the State that is closest to their residence.

Section 227. Job Corps Centers.—Section 227(a) provides that States shall enter into agreements with Federal, State or local agencies or with private sector organizations to operate Job Corps centers.

Subsections (b) and (c) of section 227 provides that Job Corps centers may be residential or nonresidential, and may include Civilian Conservation Centers located primarily in rural areas.

Subsection (d) of section 227 provides that agencies or organizations operating Job Corps centers on the date of enactment of this act shall enter into similar contracts with the State to operate the center through the remainder of the contract.

Section 228. Program Activities.—Section 228(a) requires that Job Corps centers provide enrollees with access to the one-stop career centers and other appropriate work force development activities, including assistance in obtaining meaningful employment upon completion.

Subsection (b) of section 228 provides that arrangements shall be made to allow enrollees to participate in the statewide work force development system, including activities provided through local entities.

Subsection (c) of section 228 provides that each Job Corps center must also be connected to the statewide job placement accountability system.

Section 229. Support.—Provides that the State shall provide Job Corps enrollees with such personal allowances as the State may determine to be necessary or appropriate to meet the needs of enrollees.

Section 230. Operating Plan.—Requires that operators of Job Corps centers submit an operating plan to the Governor for ap-

proval containing, at a minimum: (1) how the center will contribute to achieving the State goals and benchmarks, (2) how the work force development activities provided by the Job Corps center are linked to the State's work force development needs, and (3) a strategy to ensure all enrollees will have access to the one-stop career centers.

Section 231. Standards of Conduct.—Section 231(a) provides that strict standards of conduct shall be enforced within Job Corps centers.

Subsection (b) of section 231 provides for termination of enrollees who have committed a violation of the standards, including immediate dismissal for incidents involving violence, drug abuse, or other criminal activity.

Section (c) of section 231 permits the expeditious appeal of disciplinary action taken against enrollees according to procedures established by the State.

Section 232. Community Participation.—Provides that the States shall encourage cooperation between Job Corps centers and local communities. Such cooperation may involve the local work force development board, where established.

Section 233. Counseling and Placement.—Provides that the State shall ensure that Job Corps enrollees receive counseling and job placement services which shall be provided, to the maximum extent possible, through the one-stop career center system.

Section 234. Leases and Sales of Centers.—Provides for the lease or sale of Job Corps centers to the State in return for nominal consideration.

Section 235. Closure of Job Corps Centers.—Section 235(a) provides that the Governing Board shall conduct an audit of all Job Corps centers and submit to Congress the results of that audit. The audit will include the following information: (1) funds expended in fiscal year 1996 to operate Job Corps center, (2) the amount of funds expended for the direct operation of each Job Corps center, (3) the amount of funds expended for indirect costs relating to the operation of Job Corps centers, such as student travel, national outreach, screening and placement services, (4) the amount of funds expended for construction, rehabilitation and acquisition of Job Corps centers, and (5) the amount of funds required to be expended to rehabilitate and repair existing Job Corps centers.

Subsection (b) of section 235 provides that, based on the results of the audit, the Governing Board will identify to the Secretary of Labor 25 Job Corps centers to be closed by September 30, 1997. In determining which centers will be closed, the Governing Board will use the following criteria: (1) whether a given center has consistently received low performance measurement ratings under the Department of Labor or inspector general Job Corps rating system, (2) whether the center is among those that have experienced the highest number of serious incidents of violence or criminal activity, (3) whether or not the center requires the largest funding for rehabilitation and repair, (4) the relative and absolute cost of the centers compared to all other centers, and (5) whether the center is among those with the least State and local support.

Allowance is made for new Job Corps centers to be completed before they become subject the audit.

Subsection (c) of section 235 provides that the Secretary of Labor, after reviewing the results of the audit, will close 25 Job Corps centers by September 30, 1997.

Section 236. Interim Operating Plans for Job Corps Centers.—Provides that Job Corps center operators prepare and submit to the Secretary of Labor and the Governor an interim operating plan for the center during fiscal year 1997.

Section 237. Effective Date.—Section 237(a) provides that this chapter shall take effect on July 1, 1998.

Subsection (b) of section 237 provides that sections 234, 235 and 236 shall take effect on the date of enactment of this act.

Chapter 2—Other Work Force Preparation activities for at-risk youth

Section 241. Work force Preparation Activities for At-Risk Youth.—Section 241(a) provides that the Governing Board shall make allotments to the States to carry out work force preparation activities for at-risk youth.

Subsection (b) of section 241 provides for the core and permissible activities for which states may use funds under this chapter. States are required to continue to operate Job Corps centers that have not been closed under section 235. States may use funds to (1) assist out-of-school at-risk youth in participating in school-to-work activities, (2) make grants to entities to provide work-based learning as part of school-to-work activities, including summer jobs linked to year-round school-to-work programs, or (3) carry out any other work force development activities specifically for at-risk youth.

Subsection (c) of section 241 provides for the allotment of an amount to each State equal to the total of the amount of funds the State received in fiscal year 1996 to operate Job Corps centers and an additional amount based according to a formula based on the following factors: 33⅓ percent of the funds based on each State's percentage share of unemployed individuals, 33⅓ percent of the funds based on each State's percentage share of individuals in poverty, and 33⅓ percent of the funds based on each State's percentage share of at-risk youth.

Subsection (d) of section 241 requires the State to describe in its State plan submitted under section 104 how activities for at-risk youth will be implemented to meet the State's goals and benchmarks.

Subsection (e) of section 241 provides that entities may submit applications to the Governor to provide work force preparation activities for at-risk youth.

Subsection (f) of section 241 provides that, of the funds allocated for work force preparation activities for at-risk youth, 15 percent is reserved for the Governor and 85 percent is distributed to local entities to carry out such activities through the statewide system.

Subsection (g) of section 241 authorizes appropriations of $2.1 billion for each of fiscal years 1998 through 2001.

Subsection (h) of section 241 provides that this chapter shall take effect on July 1, 1998.

SUBTITLE D—INTERIM ADMINISTRATION OF SCHOOL-TO-WORK PROGRAMS

Section 251. Administration of School-to-Work Programs.—Effective October 1, 1996, the authority granted to the Secretary of Labor and the Secretary of Education under the School-to-Work Opportunities Act shall be considered to be granted to the Governing Board.

SUBTITLE E—AMENDMENTS RELATING TO CERTAIN AUTHORIZATIONS OF APPROPRIATIONS

Section 261. Older American Community Service Employment Act.—Provides that the authorization for this program shall be extended through fiscal year 1998.

Section 262. Carl D. Perkins Vocational and Applied Technology Education Act.—Provides that the authorization for this program shall be extended through fiscal year 1998.

Section 263. Adult Education Act.—Provides that the authorization for this program shall be extended through fiscal year 1998.

TITLE III.—NATIONAL ACTIVITIES

Section 301. Federal Partnership.—Section 301(a) provides that a government corporation, known as the Workforce Development Partnership, will be established to administer this act.

Subsection (b) of section 301 provides that the Workforce Development Partnership will be headed by a Governing Board composed of 9 members, including the Secretaries of Labor and Education, 5 representatives of business and industry (at least 2 of whom shall be employers), and 2 representatives of labor and workers, appointed by the President with the advice and consent of the Senate. The Governing Board shall be appointed not later than September 30, 1996.

The duties of the Governing Board include (1) overseeing the development of a national labor market information system and job placement accountability system, (2) establishing model benchmarks, taking into account existing work force development benchmark efforts at the State level, (3) negotiated benchmarks with the States, (4) reviewing and approving State plans, (5) reviewing reports on the States' progress toward their benchmarks, (6) preparing and submitting an annual report to Congress on the absolute and relative performance of States progress toward their benchmarks, (7) awarding incentive grants, (8) issuing sanctions, (9) disseminating information on best practices, (10) performing the duties relating to the Job Corps, (11) reviewing other federally funded work force development programs, (12) reviewing and approving the transition work plan submitted by the Secretaries of Labor and Education, and (13) overseeing all activities of the Federal partnership. However, final authority for the approval of State plans and disbursement of funds remain with the Secretary of Education and the Secretary of Labor.

Subsection (c) of section 301 provides for the appointment of a Director to administer the general duties of the Partnership.

Subsection (d) of section 301 provides that the Secretary of Education, the Secretary of Labor, and the Secretary of Health and

Human Services shall detail Government employees, as needed, to carry out the functions of the Federal partnership.

Subsection (e) of section 301 provides for an Office of the Inspector General in the Federal partnership.

Subsection (f) of section 301 authorizes $500,000 to be appropriated to the Governing Board for the administration of this act.

Subsection (g) contains conforming amendments to the Inspector General Act of 1978.

Section 302. National Assessment of Vocational Education Programs.—Section 302(a) provides that the Office of Education Research and Improvement (OERI) at the Department of Education shall conduct a national assessment of vocational education programs under this act. It also requires OERI to appoint an assessment.

Subsection (b) of section 302 lists the descriptions and evaluations the assessment shall include.

Subsection (c) of section 302 provides that the Secretary shall consult with the Committee on Labor and Human Resources of the Senate and the Committee on Economic and Educational Opportunities of the House of Representatives in the design and implementation of the assessment. The Secretary shall submit interim and final reports to the Congress in 2000, and the reports will not be subject to any review outside OERI before their transmittal to Congress.

Section 303. Labor Market Information.—Section 303(a) provides that the Governing Board shall oversee the development, maintenance, and continuous improvement of a nationwide integrated labor market information system that provides reliable information on job vacancies, occupational trends, skill requirements, and the performance of education and training providers.

Subsection (b) of section 303 provides that the Governing Board shall, with the assistance of the Bureau of Labor Statistics and other appropriate Federal agencies, prepare an annual plan for achieving the cooperative Federal-State governance structure for the nationwide integrated labor market information system.

Subsection (c) of section 303 provides that States shall establish an interagency process for the oversight of a statewide comprehensive labor market information system, and shall designate a single state agency or entity within the State to be responsible for the management of the statewide system. Such state agency must consult with employers about the labor market relevance to the data to be used throughout the statewide system.

Section 304. National Center for Research in Education and Workforce Development.—Section 304(a) provides that the Governing Board is authorized to continue supporting the National Center for Research in Vocational Education until December 31, 1997, and to award a new grant for the period following that date.

Subsection (b) of section 304 describes the activities to be conducted by the national center.

Subsection (c) of section 304 provides that the Governing Board may request the national center to conduct additional activities not described in subsection (b) as it deems necessary.

Subsections (d) and (e) of section 304 provide that the national center shall identify current needs for research and technical as-

sistance and shall annually prepare a report summarizing its findings and results and submit it to the Governing Board and the Congress.

Section 305. Transfers to Federal Partnership.—All functions that the Secretary of Labor, acting through the Employment and Training Administration and the Secretary of Education, acting through the Office of Vocational and Adult Education, perform with respect to the programs that are repealed under this act, shall be transferred to the Federal partnership. The Secretaries shall prepare and submit a transition workplan to the Governing Board that provides information on how the transfers will be conducted, and proposes a reduction in staffing levels of at least one-third over current levels.

Section 306. Transfers to Other Federal Agencies and Offices.—Any functions currently performed by the Secretary of Labor, acting through the Employment and Training Administration, and the Secretary of Education, acting through the Office of Vocational and Adult Education, shall be transferred to an another appropriate Federal agency. The Secretaries shall prepare and submit a transition workplan to the Governing Board that provides information on how the transfers will be conduction.

Section 307. Elimination of Certain Offices.—Effective July 1, 1998, the Office of Vocational and Adult Education at the Department of Education and the Employment and Training Administration at the Department of Labor shall be terminated.

TITLE IV.—AMENDMENTS TO TITLE I OF THE REHABILITATION ACT OF 1973

Section 401. References.—Provides that references in title IV of the Workforce Development Act of 1995, unless otherwise noted, are to the Rehabilitation Act of 1973.

Section 402. Findings and Purposes.—Amends section 2(4)(a) to indicate that increased employment of individuals with disabilities can be achieved through implementation of a statewide work force development system that provides meaningful and effective participation for such individuals in work force development activities and through title I of the Rehabilitation Act.

Amends section 2(b)(1)(A) by adding that empowering individuals with disabilities can occur through a statewide work force development system that includes comprehensive and coordinated programs of vocational rehabilitation.

Section 403. Consolidated Rehabilitation Plan.—Repeals section 6 that allows consolidated plans from State vocational rehabilitation agencies and State developmental disability councils.

Section 404. Definitions.—Amends section 7 with additional definitions.

Section 405. Administration.—Amends section 12(a)(1) by giving the Commissioner of Rehabilitation Services Administration the authority to provide consultative services and technical assistance to public and nonprofit private agencies to achieve the meaningful participation of individuals with disabilities in the statewide work force development system.

Section 406. Reports.—Amends section 13 to conform data collection requirements under the Rehabilitation Act with those required in the Workforce Development Act of 1995.

Section 407. Evaluation.—Amends section 14(a) to conform information collected for evaluation purposes under the Rehabilitation Act with the State benchmarks required in the Workforce Development Act of 1995.

Section 408. Declaration of Policy.—Amends section 100(a)(1) to include new terms, findings and purposes.

Section 409. State Plans.—Amends section 101(a) to conform the submission of the State plan under title I with the submission of the State plan under the Workforce Development Act of 1995 and other conforming amendments.

Section 410. Individualized Employment Plans.—Amends section 102 substituting the term "individualized employment plan" for the term "individualized written rehabilitation program."

Section 411. Scope of Vocational Rehabilitation Services.—Amends section 103 by eliminating the authority to use title I dollars for surgery or construction.

Section 412. State Rehabilitation Advisory Council.—Amends section 105 to encourage linkages between members of the Council and boards established under the Workforce Development Act of 1995.

Section 413. Evaluation Standards and Performance Indicators.—Amends section 106(a)(1) to require the standards and indicators, to the maximum extent appropriate, will be consistent with benchmarks established under the Work force Development Act of 1995.

Section 414. Repeals.—Repeals part C of title I.

Section 415. Effective Date.—The effective date of this title is July 1, 1998.

TITLE V.—OTHER PROGRAMS

SUBTITLE A—AMENDMENTS TO IMMIGRATION AND NATIONALITY ACT

Section 501. Prohibition on Use of Funds for Certain Employment Activities.—Provides that funds authorized under the Immigration and Nationality Act shall not be used for work force employment activities for refugees.

SUBTITLE B—WELFARE PROGRAMS

Section 511. Welfare Reform.—Provides a Sense of the Senate regarding welfare reform.

TITLE VI.—REPEALS OF EMPLOYMENT AND TRAINING AND VOCATIONAL AND ADULT EDUCATION PROGRAMS

Section 601. Repeals.—Section 601(a) provides that the following programs will sunset immediately upon enactment:

State Legalization Impact Assistance Grant (SLIAG)
Title II of Public Law 95–250
Displaced Homemakers Self-Sufficiency Assistance Act
Appalachian Vocational and Other Education Facilities & Operations

Job Training for the Homeless Demonstration Project
Section 5322 of title 49, U.S.C.
Subchapter I of chapter 421 of title 49, U.S.C.

Subsection (b) of section 601 provides that the following programs will sunset on July 1, 1998:

Food Stamp Employment and Training
Job Training Partnership Act
Carl Perkins Vocational and Applied Technology Education Act
Adult Education Act
Job Opportunities and Basic Skills (JOBS)
Trade Adjustment Assistance (TAA), sections 235 and 236
NAFTA-Transitional Adjustment Assistance
Wagner-Peyser Act
Adult Education for the Homeless
Senior Community Service Employment Program (SCSEP), title V of Older Americans Act
School-to-Work Opportunities Act

Section 602. Conforming Amendments.—Section 602(a) provides conforming amendments for the programs that are immediately repealed.

Subsection (b) of section 602 provides that the Governing Board shall submit legislation to the Congress containing technical and conforming amendments for the programs that are repealed on July 1, 1998.

ADDITIONAL VIEWS OF SENATOR DEWINE

The Chairman, Senator Kassebaum, deserves our gratitude for her leadership on this bill. Thanks in large part to her efforts, we have succeeded in reporting legislation that will make a substantial difference in preparing America's work force for the 21st century.

I am especially pleased with the sections of the Workforce Development Act that deal with the problems of at-risk youth. For too long, job training policy has focused on problems that are easier to solve, like retraining temporarily displaced workers—and ignored America's number one social challenge: Young people growing up outside the mainstream of U.S. society and the U.S. economy.

The group of young Americans is large, and it is growing.

Since 1965, the juvenile arrest rate for violent crimes has tripled. Children are the fastest-growing segment of the criminal population.

Since 1975, homelessness has been on the rise. And it has increased faster among families with children than among any other group.

Every year, nearly one million young people between 12 and 19 are victims of violent crime.

Too many young people are not getting the education they need. Since 1960, we have spent 200 percent more on public schools—but the quality of education is not improving. A 1988 study found that of all the nations tested, the United States finished dead last in science.

The Ohio Department of Education does not have complete statistics on graduation. But the statistics they do have suggest that of the kids who enter Ohio high schools, only 75 percent graduate four years later. And that statistic sugarcoats the much more dismal reality in Ohio's cities. In Youngstown, only 46 percent graduate after four years. In Columbus, only 44 percent. In Toledo, only 37 percent.

These children are not being educated. And we know what that leads to. According to the Educational Testing Service, half of the heads of households on welfare are dropouts. And the Ohio Department of Rehabilitation and Corrections reports that 25 percent of the inmates in Ohio prisons are dropouts.

Almost 5 million children are growing up in neighborhoods where the majority of men are unemployed for most of the year.

Too many kids are having kids. Since 1960, the rate of unmarried teenagers having kids has increased almost 200 percent.

Since 1960, the percentage of families headed by single parents has also tripled. One reason this is important is that children growing up in single-parent families are poorer than children living with two parents. Children who don't have fathers around are five times more likely to be poor. They are ten times more likely to be

extremely poor—to live in the kind of grinding poverty from which it's very hard to escape.

It's hard to escape from because it's more than economic poverty. It's a poverty of spirit—the poverty, especially, of young men who have no role models.

These are the people we refer to as "at-risk youth." For too long, we as a society have ignored this problem.

The Workforce Development Act targets $2.1 billion of the funding on Job Corps and other education and training programs directly on the problems of at-risk youth. This is an overdue measure in response to a major national problem—an essential step in reclaiming the futures of some seriously threatened young people.

Under this legislation, states will be given a great deal of flexibility in their use of these funds for at-risk youth. Job Corps centers will come directly under state authority.

In this area, even more than others, we need state experimentation to demonstrate which approaches are most effective. Our task is nothing less than re-civilizing at-risk sectors of society—in effect, reclaiming a life of hope for young people who have never learned the values of work and responsibility.

This is an effort for which there is little if any precedent. We need to build on successful approaches like the Center for Employment Training (CET) in San Jose, California; the Jobs Plus program in the "Over-The-Rhine" district of Cincinnati, Ohio; and the "Cleveland Works" program in Cleveland, Ohio, which has already been replicated in six other cities.

While we shouldn't seek to mandate any of these programs nationally, they have all established a record of success that makes them valuable models for further experimentation by other communities.

The Workforce Development Act will encourage precisely this kind of experimentation. It is an important positive step in the effort to address the monumental challenge of rescuing America's at-risk youth.

MIKE DEWINE.

ADDITIONAL VIEWS OF SENATOR PELL

When I voted to report S. 143, the Workforce Development Act of 1995, I emphasized that I had concerns that had not been resolved. Thus, in addition to my support for the language in the committee report and the additional views on adult education, I thought it important to highlight several of those concerns.

While I applaud the effort to bring better coordination between education and training, I am concerned with the governance structure provided in the legislation. I believe the Governing Board's responsibilities should be advisory, and that actual program authority should rest with the Secretaries of Education and Labor. This may be the intent of the legislation, but new or additional legislative language is necessary to accomplish this.

I am a strong advocate and longtime supporter of the Job Corps program. I believe deeply that this should be a national program, and should not be relegated to the states. In addition, I am concerned about the merit of a national audit of the Job Corps program and the decision to require the closure of a certain number Job Corps centers before that audit is even conducted.

I am of the mind that the percentage of Work Force Development funds that flow to Work Force Education and Work Force Employment should be increased, and that funding for the flexibility Account should be decreased. I offered an amendment in committee to divide funds in the following manner: one third for Work Force Education, one-third for Work Force Employment, and one-third for the Flexibility Account. While I continue to prefer this approach, I remain open to other alternatives.

I do not favor repealing the dislocated worker provisions of the Trade Act. These are important provisions to help workers who have lost their jobs because of international competition that has occurred because of agreements such as the North American Free Trade Act and the General Agreement on Trade and Tariffs.

On a related and equally important matter, the legislation, in my opinion, needs to be better targeted to meet the needs of dislocated workers. Strengthening the voucher provision in the legislation is one way that might be considered to accomplish this objective.

I also believe we should have provisions that would enable the Secretary of Labor to make grants to address major economic dislocations, to provide disaster relief employment assistance, and to provide employment and training assistance for migrant and seasonal farmworkers. Circumstances like these often cross state lines or are beyond an individual state's resources. By their nature, large dislocations are abrupt events. In designing its plan, no state should or would plan for an event that may never take place. Therefore, a national program, similar to the one Senator Dodd and I proposed during the markup, is a critical necessity.

Further, there are a series of concerns I have regarding the Employment Service and labor protections that are not currently reflected in the legislation. It is important that these issues be adequately addressed.

Repeal of the Summer Youth Employment Program would be most unfortunate. It provides important help to young people who have no other place to turn. It should be retained.

Additional, specific changes in the legislation would also help address the employment and training needs of particular individuals, such as those of limited English proficiency, those seeking to enter areas of employment not traditional to their gender, and those who are displaced homemakers.

Some of these concerns were the subject of amendments considered by the committee. I regret very much that they were not approved, and would hope that they might again be considered on the floor. I also remain hopeful that other concerns I have highlighted and that were not considered during the committee executive session might be addressed either in a committee amendment or other amendments during floor debate on this important legislation.

CLAIBORNE PELL.

ADDITIONAL VIEWS OF SENATORS PELL, SIMON, JEFFORDS, AND KENNEDY

The Workforce Development Act of 1995 contains several sections that emphasize the importance of Adult Education. While we are supportive of all of the provisions regarding Adult Education in the bill, we are deeply concerned that the absence of an assured stream of funding puts adult education services very much at risk. Accordingly, we strongly believe that the Workforce Development Act should include a specific Adult Education allotment of twenty-five percent of the amount allocated for Workforce Education activities.

Over fifty percent of adults in the United States are functionally illiterate. Tens of millions of Americans cannot write a brief letter, read a bus schedule, understand a warning label, or calculate the difference between a regular price and a sale price in an advertisement. In the aggregate, these problems have a very telling impact not only on our competitiveness in the international economy but also on the very fabric of our society. Estimates place the cost of illiteracy to the marketplace at $225 billion dollars.

Adult Education provides support for educational programs geared toward out of school youth, age 16 and above, so that adults can acquire the necessary oral and written competencies essential to success in the workplace and to everyday living and functioning in society. Individuals enter adult literacy programs for a number of reasons. While one person may be unemployed and enter a literacy course to improve his or her employability status, another may already have a job and may seek adult education services simply to enhance their general work force skills. Another may wish to improve their literacy skills so that they can better assist their children with their school work. And still another may be an immigrant whose language is not English and needs adult education services so that individual can become a full and successful participant in our society.

In 1993, 3.8 million students were enrolled in Adult Education programs. Almost 300,000 passed the GED test or received a high school diploma. More than 227,000 gained employment or advanced in the work force due to adult education. An additional 30,000 were removed from public assistance. More than 39,000 registered to vote for the first time, 11,000 obtained citizenship, and almost 200,000 entered another educational or training program. While these statistics are impressive, it is important to emphasize that only one-half of those individuals seeking adult education services receive them. This number does not include the thousands, perhaps millions, of individuals who need services but do not know how to find them.

The Federal government has been a leader in emphasizing the importance of literacy and skills necessary for an improved lifestyle and success on the job. We firmly believe that a strong federal

presence must be continued. In order to accomplish that directive, we consider it imperative that adult education services not be left to chance.

In Committee, the vote on the amendment to accomplish this objective was evenly divided. Fully one-half of the Committee membership believes that this legislation should include a provision insuring that at least one-fourth of the Workforce Education funds flow to adult education. To do otherwise would, in our opinion, threaten the very existence of these critically important services.

CLAIBORNE PELL.
PAUL SIMON.
JIM JEFFORDS.
TED KENNEDY.

MINORITY VIEWS OF SENATORS KENNEDY, DOOD, SIMON, HARKIN, MIKULSKI, AND WELLSTONE

Since the drafting of the Manpower Development Training Act in 1962, the Senate has maintained a strong bipartisan tradition in the development of legislation dealing with the education and training of the nation's work force. The Job Training Partnership Act of 1982, the JTPA Amendments of 1992, and the School-to-Work Opportunities Act of 1994 are some of the more recent examples of legislation developed and enacted with strong bipartisan support.

In that same spirit of bipartisanship, Members on both sides of the aisle have worked closely together for more than a year to develop a bill that reflects our shared goal of achieving a more integrated approach to work force development. It is widely agreed that we need to replace the current fragmented system of many separate federal job training and education programs with a more coherent system that operates more effectively to serve the needs of workers and firms. For that reason, it has been and continues to be our hope that we can reach agreement with the majority on a set of reforms that achieve that goal.

This bill reported from committee takes important steps in this direction by consolidating federal programs and establishing a framework for state and local design and management. However, we continue to have a number of significant concerns about the bill which we were not able to resolve prior to the committee mark-up of S. 143, and which are described below. We will continue to work with the majority to resolve these differences with the hope that we can reach agreement by the time the bill goes to the floor.

THE NATIONAL GOVERNANCE STRUCTURE NEEDS REVISION

The governance structure for federal administration of the Workforce Development Act as currently described in the committee-reported bill is, in our view, both unworkable and unwise. There is, however, general agreement among members of the committee that better linkages among education, training, and employment services must be achieved at all levels: National, State, and local. Senator Kassebaum's specific goal of better integrating the administration of workforce education and training programs at the national level is also an objective which we generally endorse. Thus, while we are unable to support the governance structure proposed in the bill as reported, we look forward to continuing to work with the majority to develop a structure that all members of the committee can support.

S. 143, as reported, creates a part-time governing board, composed of two governors and representatives of business, labor and education, that would oversee all the activities conducted under this act. The bill also creates a new government corporation called

the Federal Partnership—an entity that is a combination of some components of the current Office of Vocational and Adult Education in the Department of Education and the Education and Training Administration in the Department of Labor—to administer the act under the direction of the Governing Board. While we support the effort to consolidate and streamline Federal work force development programs, we believe this proposed governance structure would in fact have just the opposite result, adding new layers of government and increasing rather than decreasing administrative complexity. We strongly support the establishment of a national board to play an advisory role with regard to the administration of the act, but we are not prepared to turn over direct administrative responsibility and authority for a $7 billion Federal program to a part-time board that meets four times a year. The Federal Partnership should report directly to the Secretaries and not through the Board to the Secretaries, and the Secretaries should have ultimate responsibility for all decisions related to approval of plans, establishment of benchmarks, allocation of funds, and program administration.

We are particularly distressed by the lack of a clear, firm line of accountability and responsibility at the Federal level. The reported bill continues to blur lines of accountability and responsibility. It is not clear who is in charge of, and can be held fully accountable for, the Federal role: the President through his Cabinet appointees (the Secretaries of Labor and Education), the quasi-governmental Governing Board, the new Partnership, or some combination of these. The absence of clarity with respect to lines of authority at the Federal level stands in marked contrast with the explicitness of the language regarding authority in the design of the state level system: State-level Workforce Development Boards provided for under the bill have advisory functions, while the Governor with state officials is given unmistakable overall responsibility and authority.

It is imperative that Federal taxpayers and Congress know exactly whom to hold accountable in the executive branch for the effective and efficient execution of the act. It is equally important that there be direct, clear, high-level accountability to the President, and that these accountable have the tools at their disposal to ensure that they can carry out their responsibilities under the act. In our view this means three conditions must be present. First, the Secretaries must have direct and final authority to decide whether State plans are adequate to carry out the purposes of the act and accomplish State goals and to approve them. Second, any new intermediary or board of public members should be advisory to the Secretaries. Finally, any entity that carries out Federal responsibilities must be directly responsible to the Secretaries who are, in turn, responsible to the President and to Congress.

An additional concern is that the bill's overly prescriptive instructions on the elimination of existing offices and reductions in staff run counter to sound management philosophy for restructuring and downsizing an organization. Many activities outside the provisions of the act are the responsibility of the existing entities that are merged under the Partnership, and the structure under which these activities will be administered is not yet fully resolved.

Although the establishment of the proposed Partnership would achieve the consolidation of some related functions that are currently housed within the Departments of Education and Labor, it threatens to create a series of new, potentially severe coordination problems among the departments and the Partnership that in many ways may far outweight the advantages. For example, new mechanisms would be required to ensure coordinated planning of and access to School-to-Work activities, because elementary and secondary education programs, student financial assistance and family literacy would remain in the Department of Education while vocational education would move to the Partnership. Some of these linkages are discussed in greater detail elsewhere in the minority views.

Similar coordination mechanisms would be needed because the time-tested, and business-supported, linkage of the unemployment insurance system with both the employment service's labor exchange functions and the reemployment services authorized under the Economic Dislocation and Worker Adjustment Assistant Act (EDWAA) would be severed. The former stay in the Labor Department and the latter two would be turned over to the Partnership.

We reiterate our support for the overall objective of Federal consolidation and coordination. Without substantial additional changes, however, S. 143 threatens diminished rather than enhanced accountability, greater rather than lesser problems in Federal coordination, and poorer rather than improved Federal administrative performance.

IMPROVEMENTS ARE NEEDED TO PROVISIONS DEALING WITH AT-RISK YOUTH

As reported by the committee, the bill contains a number of important provisions designed to help at-risk youth—both out-of-school young people and students—acquire the skills and knowledge they need to begin productive careers. We were also pleased to lend our support to Senator DeWine's successful amendment in committee to increase funds available for Job Corps and other at-risk youth programs and services to $2.1 billion. We remain concerned, however, that the proposed funding structure will pit at-risk youth programs into direct competition with the devolved Job Corps infrastructure for scarce resources. We will continue to work to make the funding of State programs for at-risk youth independent of Job Corps funding, and to link these programs with the State school-to-work framework and activities. We also want to make it clear that these programs are intended to encourage at-risk students to complete their high school degrees and school dropouts to enroll in alternative education programs.

Preventing minority youth from dropping out of school and better serving youth if they do drop out holds the key to large impacts—both in terms of cost savings to Federal taxpayers and benefits to society. By a conservative estimate, the average high school dropout costs taxpayers almost $70,000 in welfare and prison costs between age 18 and 54. Thus, it is essential that we target work and training resources on at-risk youth in order to give them a fair chance to make it in our society. Although many programs serving disadvantaged youth have not proved to be effective, we have

learned of promising projects that do effectively serve disadvantaged youth and point the way for restructuring other youth programs. Under this bill and with adequate resources, we believe that we can expand the use of successful models and reform others around what works.

THE JOB CORPS SHOULD BE PRESERVED AS A NATIONAL PROGRAM

For more than three decades Job Corps has provided this country's disadvantaged youth a chance and a hope to live prosperous and productive lives. Created by Congress in 1964, its historic and enduring charge has been to serve our most troubled young people by providing comprehensive counseling, training and education in a safe and supportive residential setting.

Of the 62,000 young people who participate in Job Corps each year, over 80 percent are high school dropouts, and 73 percent have never been employed full-time. One-fourth come to the program with reading skills at the 6th grade level or less, and the average income of a Job Corps member is less than $7,000 per year. Yet 70 percent of participants in the program get jobs, join the military, or later obtain further education after leaving the program. These results illustrate why the Milton S. Eisenhower Foundation, in a 1993 report entitled Investing in Children and Youth Reconstructing Our Cities concluded that:

> Next to Head Start, the Job Corps appears to be the second most successful, across-the-board American prevention program ever created for high-risk kids. Job Corps is an intensive program with multiple solutions over one year that takes seriously the need to provide supportive, structured environment for the youth it seeks to assist * * *. [The program's] results have been consistently positive and its performance highly cost-effective. A 1991 analysis by the Congressional Budget Office calculated that for each $10,000 invested in the average participant in the mid-1980's, society received roughly $15,000 in return—including about $8,000 in "increased output participants" and another $6,000 in the "reducing in the cost of crime-related activities.

Despite this record of achievement, the committee-reported bill would end Job Corps as a national program and close 25 of the 110 Job Corps centers—eliminating opportunities for about one in four of the at-risk youth currently served. While we support reforms to the Job Corps program as part of our overall effort to develop a more coherent national approach to youth employment policy—particularly those provisions in the bill which require direct linkages between Job Corps centers and the emerging one-stop career centers and school-to-work systems in the States—we believe the bill as reported by the committee would do serious damage to this important program.

On the untested and unproven theory that States can do a better job in setting policy and providing oversight of the program, the bill transfers responsibility for operation of all Job Corps centers to the States, but at the same time does not require the States to continue to operate the centers. Although funds provided to the States

under a Separate title for at-risk youth may be used for Job Corps activities, States could significantly decrease the number of students attending a center or shift funds to nonresidential programs without violating the "core" requirements of the subtitle. Funds that would otherwise be available for Job Corps could also be diverted to other activities for at-risk youth not related to Job Corps at all.

By putting state boundaries on Job Corps centers, the bill would also arbitrarily limit applicants' access to centers outside their states that might offer programs better suited to their needs and interests than the programs offered at the center or centers in their state. Worse, at-risk youth in states without a center would be deprived of access to Job Corps altogether.

While we agree that there should be rigorous monitoring of Job Corps centers' performance, and that corrective action should be taken when a center is performing poorly, we are also not persuaded that the appropriate corrective action is to close the center. Poor performance is in most cases a function of poor management, and therefore should be addressed by terminating the contractor or otherwise changing the management structure. To legislatively mandate that 25 centers must be closed is, in our view, both arbitrary and ill-advised.

We agree with the majority that Job Corps can be better integrated into State work force development plans and systems and local decision-making, and we support changes to accomplish that goal. But it is vitally important to retain a national Job Corps system, avoiding the fragmentation and restricted opportunities for access created by the committee's approach.

THE SUMMER JOBS PROGRAM SHOULD BE RETAINED

We also strongly object to the bill's repeal of the highly successful summer jobs program. This program is critically important to the 600,000 young Americans who rely on it every summer to learn needed skills, acquire lessons in responsibility, and spend their summer days out of trouble.

While the private sector provides many summer jobs for American students, individual employers cannot provide enough jobs for all the young people who want and need to work. Minority youth in particular are dependent on this program for summer work opportunities: an estimated one-third of summer jobs held by African-American youth and one-fourth of the summer jobs held by Hispanic youth are provided through the summer jobs program.

There is ample evidence that the summer jobs program works well. Recent studies by Westat and the Labor Department's Office of the inspector general both reported very positive findings, concluding that work sites are well-supervised and disciplined, that jobs are real not make-work, that the education component teaches students new skills they can apply in school, and that students learn the value of work. According to the inspector general's report on the 1992 summer program, "participants were productive, interested, closely supervised, learned new skills they could apply to their school work and took pride in their employment." Participants work in a variety of areas, from tutoring children at day care centers to assisting in hospitals to working at a local park. The stu-

dents receive strict supervision, and those who don't follow the rules are let go.

For many youth, the summer jobs program is their first opportunity to work and their first critical step in learning the work ethic. We believe that the summer program meets performance expectations, and we will work to make sure that States reserve funds to local areas for summer jobs for at-risk youth.

While the bill as reported does allow States to use a portion of their funds for at-risk youth to fund summer jobs program, this is a permissive rather than a required activity, and there is no assurance even in states that do choose to have such a program that it will be funded at a level comparable to current level. And while we are pleased that any summer jobs program would have to be linked to a year-round school-to-work program, this requirement is of little value if no summer jobs are made available.

During the mark-up, Senator Dodd offered an amendment to delete the bill's repeal of the summer jobs program. Although that amendment failed on an 8–8 vote, we intend to continue to work for restoration and full funding of the program. The summer jobs program is a success story, and it provides hope and concrete skills to hundreds of thousands of young people. We see no need to repeal this program.

WORKER PROTECTIONS SHOULD BE INCLUDED

The committee-reported bill contains none of the worker protections which have been crucial components of Federal employment and training legislation for almost 25 years. Without such protections we cannot support S. 143, and we will therefore continue to work with the majority to secure their inclusion in the bill when it goes to the floor.

From the Emergency Employment Act of 1971 through the Comprehensive Employment and Training Act of 1972 and the Job Training Partnership Act of 1982, the Congress enacted and Republican Presidents signed into law legislative language setting forth carefully crafted worker protections. These include requirements that participants in job training programs who are performing work as part of their training must be covered by workers' compensation insurance and protected by the same health and safety standards applicable to other employees performing the same type of work, and that individuals employed in subsidized jobs must be provided benefits and working conditions at the same level and to the same extent as other employees performing the same work who have worked a similar length of time. To ensure that Federal funds are not used in a way that would adversely affect already employed workers, these statutes have also included prohibitions against displacement of current workers.

It is equally important that the bill include provision establishing grievance procedures for the resolution of complaints alleging violations of the worker protection provisions. Those procedures have worked well in federally assisted employment and training programs to ensure that allegations of abuse are fairly and promptly addressed. Leaving them out of the legislation is a recipe for more litigation in the courts. The better course is to enable griev-

ants to pursue administrative remedies, rather than to precipitate court litigation unnecessarily or prematurely.

THE AUTHORIZATION LEVEL IS NOT ADEQUATE TO FULFILL THE PURPOSES OF THE ACT

The committee-reported bill would authorize, for titles I through III, approximately $9 billion for each of fiscal years 1998 through 2001. This amount is a reduction of almost 15 percent from the total available in fiscal year 1995 for the Perkins Vocational Education Act, the Job Training Partnership Act (JTPA), the Adult Education Act, and other programs consolidated under the first three titles of the committee-reported bill. While we agree with the majority that the Federal budget deficit should be eliminated as soon as possible, we do not agree that work force programs which provide urgently needed training to disadvantaged and dislocated populations should be required to bear such heavy burdens in achieving these budget savings. Education and training programs are essential to enable participants to be economically self-supporting, demonstrably resulting in increased tax revenues, lower costs for social services, and eventually lower expenditures for Federal, State, and local governments.

In the committee's markup of S. 143, we supported an amendment offered by Senator Kennedy which would have increased the authorization for title I from $7 billion to $8.1 billion, the level needed to maintain these important programs at their current levels without adjusting for inflation. Unfortunately, this amendment was defeated by a tie (8–8) vote, but we intend to press for its adoption on the floor as the minimum adequate level we should provide for equipping American workers to face 21st century economic challenges.

PROVISIONS SHOULD BE INCLUDED FOR NATIONAL LEVEL ACTIVITIES

Authority and funding for research, demonstrations and evaluations should be provided. We remain concerned that the bill makes only very limited provisions for important national work force education and employment activities such as data collection and research, evaluation of programs, demonstrations, technical assistance, and dissemination of information to States and local communities on effective programs and practices, nor does the bill provide funding or authority for the Secretaries to conduct these activities. This a serious deficiency in the bill that has broad implications for the effectiveness of activities funded under the act.

Research, demonstration and evaluation, combined with dissemination of best practices and technical assistance, are the principal mechanisms for improving employment and training programs. Not only do these activities provide important support to those directly involved in providing services, they also provide evidence to taxpayers about the cost-effectiveness of federally supported programs. Demonstrations serve to test new approaches for better targeting resources and increasing the effectiveness of programs. Evaluations serve to keep programs on track—to make sure that we are serving the right population and providing services that have long-term impacts on enrollees. Through these activities, we learn what is effective in producing long-term educational and earnings gains. Strong

programs of research, development, and evaluation are as important in government as they are in the private sector, and they are most economically accomplished at the federal level.

The implementation of the Government Performance and Results Act will increase the demand for information on program outcomes and results. To ensure this accountability, national activities of the type described above should be strengthened rather than weakened. We will continue to pursue legislative language that guarantees both funding and authority for these important national activities when the bill comes to the Senate floor.

A dislocated workers reserve fund should be maintained. We are also very concerned by the absence of a national discretionary reserve to serve workers affected by mass disclocations, including natural disasters, base closings and other mass layoffs. This legislation anticipates transforming our job training system into a formula block grant to the states, and in many cases the states are well-equipped to handle the job. We believe, however, that we must preserve a federal role to meet special needs the states would be unable to address.

A national rapid response fund is necessary because no one state can be expected to predict or respond effectively to massive economic dislocations. Highly concentrated economic dislocations can be caused by caused by plant closings, base realignments or natural disasters. Major economic disclocations often cross State lines and affect thousands of workers. In addition, many mass dislocations, such as base closure, are precipitated by federal actions and therefore merit a Federal response.

The current JTPA title III program, which includes a national reserve account, has been extremely successful in helping workers find new jobs and rapidly reach their previous earnings levels. The reserve account feature has been especially important in areas where formula is inadequate to meet unanticipated need, and to develop innovative and more effective responses to layoffs in selected industries. As appropriations for smaller worker dislocation programs such as the Defense Conversion Act, the Defense Diversification Program and the dislocated worker program created under the Clean Air Act have been eliminated, the Department of Labor has used the national reserve to continue serving the workers affected by these situations. The States represented on this committee have benefited from the current national reserve mechanism for dislocations as varied as defense cutbacks, military base closures, changes in the timber and fishing industries, reorganization of large private companies and natural disasters such as the midwest floods.

The need for such assistance will not diminish in the coming years. The recent release of the BRAC 95 base closure and realignment list signals the start of another round of military base closings, which will have a severe economic impact on surrounding communities. Defense-related layoffs in the private sector also are continuing, with up to an additional 25 to 30 percent reduction expected within the next 2 to 3 years. In addition, natural disasters, like the recent flooding in the midwest, seem to grow more and more devastating, affecting large regions of our nation. It is unrealistic to assume that individual States can adequately plan or set

aside sufficient funds to assist workers affected by such mass dislocations to find and prepare for new jobs, nor should they be expected to. Rather, events like these underscore the need to maintain a national reserve which States can tap when a worker dislocation is so large as to surpass the ability of a State to fund activities from their formula allocation.

Federal grants for migrant worker services should be restored. Another area in which we believe a Federal role is essential is services to migrant farmworkers.

The needs of migrant farmworkers and their departments for employment, training and other supportive services have historically been addressed from the national level because of these workers' unique migration patterns among States, their seasonal employment work history, their severe barriers to employment, their lack of State fair labor standard protections, and problems associated with their isolation and lack of access to State and local service delivery systems. Yet S. 143 would also discontinue direct Federal grants to serve this population.

Migrant farmworkers move from place to place every year, sometimes covering 20 States in one season. Many states establish residency requirements of up to 6 months for access to job training programs, a requirement that migrant farmworkers could rarely meet. Understandby, States often locate their offices providing these services in populations centers, which are convenient for many targeted for services, but are far from migrant workers laboring in rural areas. For all these reasons, we must have a Federal commitment to provide training and employment services to migrant farmworkers. If we do not, their needs will undoubtedly go unmet.

During the mark-up, the committee rejected by an 8–8 vote an amendment offered by Senator Dodd that would have set aside money at the federal level to address concentrated economic dislocations and to provide services to migrant farm workers. The Dodd amendment would have created a modest 2.7 percent set-aside for these activities. This proportion of the bill's $7 billion total authorization would have come to roughly $189 million. That would have represented a sizeable cut from the $290 million presently spent on these activities. Even with the proposed set-aside, 90 percent of the funds authorized under the act would go directly to the States.

We will continue to pursue the inclusion of provisions in the bill to serve migrant workers and to preserve an ability at the federal level to respond to mass dislocations. We are also willing to discuss modifications to the Dodd amendment, including one suggested by Senator Jeffords during the mark-up to add revolving fund language to the provisions for mass dislocations to ensure that there is no incentive to spend down all the money every year.

RETRAINING RIGHTS FOR WORKERS ADVERSELY AFFECTED BY TRADE SHOULD BE RESTORED

Among the aspects of the S.143 that we find most objectionable are provisions that repeal sections of the Trade Adjustment Assistance (TAA) program and the NAFTA–TAA program that guarantee retaining services to workers adversely affected by our trade policies.

Since the TAA program was created in the Trade Expansion Act of 1962, Republicans and Democrats alike have recognized our special responsibility to workers who lose their jobs as a direct result of government trade policies. We reaffirmed our commitment to honor that responsibility less than 2 years ago, when we enacted the NAFTA/TAA program for workers displaced because of increased imports or shifts in production to Mexico and Canada. And Congress passed the GATT just 8 months ago with the understanding that workers adversely affected by that agreement would also have a right to government retraining assistance through the TAA program. We are not prepared to abandon that commitment now, particularly in a bill that is simultaneously cutting back on the federal investment in retraining for dislocated workers generally.

The proponents of this legislation have asserted that trade-impacted workers who will lose their entitlement to retraining services as a result of the repeal of these programs will still be eligible to receive whatever services are made available by the States to dislocated workers under the work force development systems created under S.143. However, even under the current JTPA title III program for dislocated workers, the level of funding is so low that less than 25 percent of eligible workers are able to be served. Not only does S.143 reduce the overall authorization for work force education and training by 15 percent, but there is also no requirement in the bill that a State spend any particular portion of the Federal funds it receives to serve dislocated workers. Moreover, while the bill requires states to offer job search and job placement services through their one-stop centers, there is no requirement in the bill that States actually provide job training to anyone. Thus, the reality is that if trade-impacted workers are no longer entitled to employment and training services under the TAA and NAFTA–TAA, there is a good chance that they will not be served at all.

At the committee mark-up, Senator Kennedy offered an amendment which preserved the right of trade-impacted workers to obtain retraining services, but required that all such services be provided through the same systems established by the State to serve other dislocated workers. This amendment would have accomplished Senator Kassebaum's goal of establishing a unified employment and training system that eliminates duplication or fragmentation of services—a goal which we share—while at the same time honoring our commitment to ensure that workers adversely affected by national trade policies actually receive training and other services to help them find new employment. Unfortunately, this amendment was defeated on a tie (8–8) vote, but we intend to offer it again when this legislation is brought to the floor.

THE FEDERAL-STATE EMPLOYMENT SERVICE SHOULD BE RETAINED

As reported by the committee, S.143 eliminates the Federal-State Employment Service by repealing the Wagner-Peyser Act. We believe strongly that the Wagner-Peyser Act should not be repealed, but rather amended to ensure that the Employment Service is fully integrated into the States' one-stop career center systems, and we are hopeful that ongoing bipartisan discussions concerning the retention of the Wagner-Peyser Act will be favorably concluded before this bill is brought to the floor.

The nationwide network of 1700 state-operated, federally financed Employment Service offices funded through the Wagner-Peyser Act is a valuable existing resource that is already equipped to provide intake, assessment, job search and placement services which are integral to the one-stop system. Rather than dismantling this network, we believe we should encourage the States to make the labor exchange services provided through the Employment Service a cornerstone of their work force development systems.

There are several important reasons for maintaining a separate funding stream for the Employment Service. The Employment Service is unique among work force employment programs in that it is almost entirely funded by employers through the Federal unemployment (FUTA) tax. Employers pay this tax based on the understanding that these funds will be used to provide labor exchange services that facilitate the placement of unemployed workers in available jobs, thereby reducing the overall costs to employers of maintaining the unemployment system. Eliminating the separate Wagner-Peyser funding stream and combining the revenues from the FUTA tax with general revenues in the form of a block grant to States for general work force development activities would weaken the link between the Employment Service and the UI system and undermine employer willingness to pay the FUTA tax.

In addition to its labor exchange functions, the Employment Service also performs various statutorily required functions that would have to be performed by other entities if the Employment Service were eliminated. For example, the Employment Service provides a base of operations for the Disabled Veterans Outreach program (DVOP) and for Local Veterans Employment Representatives (LVER), and repeal of the Wagner-Peyser Act would endanger the effectiveness of these programs for American veterans.

We believe that rather than repealing the Wagner-Peyser Act, we should amend the act to require that the labor exchange services provided by the Employment Services must be provided through the State's one-stop career center systems, and we are hopeful that we can reach agreement on such an amendment with our colleagues before the bill goes to the floor.

SERVICES NEED TO BE TARGETED TO THOSE WHO NEED THEM MOST

S. 143 represents a bold effort to transform our current collection of separate, stand-alone work force education and training *programs* providing services to specific, targeted populations into an integrated and accountable work force development *system* accessible to all workers and employers in a State. We support the goal of making our work force development system more comprehensive and universal. But in an era of limited Federal resources, we believe it is also our responsibility to ensure that services are provided to those who need them most.

During our 30 years of experience with federally assisted employment and training programs, evaluations have repeatedly shown that some kind of targeting provisions are necessary in order to avoid the problem of "creaming"—that is, the tendency of service providers to serve those who are already the most job-ready, instead of concentrating upon those who are least job-ready and in the greatest need of training and employment services. History

tells us that specific provisions are needed to ensure that the needs of the most at-risk or underserved individuals are addressed. Unfortunately, the bill as reported by the committee does not adequately ensure that hard-to-serve groups and others most in need of education and training services will receive priority for limited Federal dollars.

In particular, we are disturbed by the bill's lack of focus on disadvantaged out-of-school youth. The committee-passed measure does not include any dedicated funding for young people who are out-of-school, and the funding available for "at-risk" youth could be spent entirely on the easier-to-serve, in-school population.

We are also concerned that the bill does not ensure adequate support for dislocated worker retraining and services. We have long recognized our special responsibility to provide retraining and adjustment services to workers impacted by mass layoffs after lifetimes as productive contributors to the strength of the American economy. This committee in recent years has developed and refined assistance programs to assist those workers who are disrupted by trade impacts, base closings, and technological change. Yet under S. 143, the provision of rapid response services to dislocated workers is just one of a number of "permissive activities" that a state "may" undertake if it chooses. In providing greater flexibility to States in implementing job training programs, we should not reduce the emphasis upon assuring adequate services for dislocated workers.

S. 143 does require States to establish specific goals for serving at-risk youth, dislocated workers including displaced homemakers, welfare recipients, the disabled, and older workers, and this is a step in the right direction. Provisions for incentive grants that reward States and localities that meet or exceed those goals are also a positive feature of the bill. Indeed, we would like to see the same concept applied to sanctions, so that States that fail to make a good faith effort to assist workers in these categories could face penalties and the possible loss of Federal funds.

We continue to believe, however, that there are ways to more explicitly target services to particular populations without creating restrictions that unnecessarily limit the flexibility of States and localities to develop integrated systems. We look forward to continuing to work with our colleagues in the Senate toward that end.

LOCAL WORK FORCE DEVELOPMENT BOARDS SHOULD BE REQUIRED NOT OPTIONAL

The concept of giving states more flexibility to determine how work force development resources should be spent is one of the central elements of this bill. We support this concept, but believe that this flexibility must extend to the local level as well. For that reason, we believe that the local work force development boards which are now optional in the Workforce Development Act should be *mandated* instead.

Most States consist of a collection of separate labor markets. Often the mix of industries and occupations varies considerably among different labor markets within a State. For example, in Massachusetts, Boston and the Route 128 high tech area have a very different industry structure than Cape Cod and the Berk-

shires—which are heavily based on the tourism industry—or southeastern Massachusetts, which has a high concentration of semi-skilled manufacturing jobs in the textile, apparel and shoe industries. The point is that often different skills are needed to compete for jobs within different regions within a State; and any new work force development system that we establish must recognize this point.

More than a decade ago, members of this committee worked together on a bipartisan basis to pass the Job Training Partnership Act. One of the central elements of JTPA was the establishment of a public-private partnership at the local level between the private-sector led Private Industry Councils (PICs) and local elected officials. The concept behind the establishment of PIC's remains true today; we stand a much better chance of making our job training programs market-driven if the businesses that provide the jobs have a role in designing and overseeing training programs. Many of our major international competitors have established work force development systems that are based on this key principle.

Over the past decade our nation has made great strides in securing more local business involvement in our job training system. Roughly 10,000 business leaders throughout the Nation now serve as PIC members. They play an important role in working with labor, community-based organizations and education officials to make our JTPA programs more responsive to the training needs of local businesses and workers.

Some States are now moving to expand their PIC's responsibilities far beyond JTPA to encompass the entire array of work force employment and work force education programs in their regions. Massachusetts, for example, has established 16 Regional Employment Boards whose mandate goes far beyond managing the roughly $50 million that the State received each year in JTPA resources; their function is to serve as a "Board of Directors" that sets policy and provides oversight over the State's $700 million work force development system.

Under S. 143, states would have the option to create local private sector led Workforce Development Boards like the REB's in Massachusetts. However, if a state doesn't exercise this option, there are very few mechanisms in the Workforce Development Act to ensure that local business, labor, and community leaders can have any meaningful say in how a State spends block grant funds within their labor market. Beyond these options local boards, the only other real requirement in the committee bill for local involvement centers around negotiations that would take place every 3 years between the Governor and a "local Partnership" over a plan for how funds under this act would be spent in their communities to meet State policy goals and performance benchmarks. However, once these negotiations are completed, these "Partnerships" would dissolve, and there would be no ongoing public-private board in place to set policy or provide oversight over the local job training system.

At the committee mark-up, Senator Kennedy offered an amendment to make Local Workforce Development Boards mandatory rather than optional that was defeated in by an 8-8 vote. Because there is strong support within the business community and among local elected officials for this amendment, we intend to continue to

push for its passage prior to final enactment of the Workforce Development Act.

"ECONOMIC DEVELOPMENT" SPENDING SHOULD BE CAPPED

As reported by the committee, S. 143 would allow Governors to spend up to 50 percent of the funds they receive under the act on so-called "economic development activities"—that is, the provision of Federal funds to private companies to pay for training and related services for their own workers. We agree that more must be done to encourage both public and private investment in training for incumbent workers. Undoubtedly it is both more humane and more cost-effective to upgrade the skills of an already employed worker who is at risk of losing his job because of changing skill requirements in the workplace, thereby enabling the worker to retain the job he has, than to wait until that worker is unemployed and then try to retrain him for a new job. But there are also significant potential downsides to allowing scarce public training dollars to be used by private companies to meet their customized training needs.

Evidence from States that have experimented with such programs over the past decade indicates that without adequate safeguards, there is a real risk that companies will simply substitute scare public dollars for private investments in training that the companies would or could have made themselves had public funds not been available for these purposes. A 1990 study by the National Commission for Employment Policy and the National Governors' Association entitled "Evaluating State-financed, Workplace-Based Retraining Programs" concluded that this "substitution" effect could be minimized through the use of careful screening procedures, monitoring systems and procedures for evaluating performance outcomes, but no such safeguards are included in S. 143. Nor are there any criteria in the bill protect against the potential for fraud or abuse by recipients of these funds. At a time of increasing bipartisan interest in reducing "corporate welfare," we are unwilling to five the Governors what amounts to a blank check to spend more than $3 billion in Federal funds on this new and open-ended form of business subsidy.

Our concerns about these provisions could be partially addressed by the inclusion of language we have already proposed that would target economic development resources on upgrading the skills of employed workers who are at risk of being permanently laid off, and on retraining currently employed workers in new technologies to help struggling businesses to restructure themselves and avert plant closings and layoffs. However, our concern is as much with the amount of money available under the bill for these "economic development" activities, as with the types of activities on which the money can be spent. We will therefore continue to seek a cap on the amount of funds that can be spent on this activity.

STATES SHOULD BE REQUIRED TO SPEND FUNDS ON ADULT JOB TRAINING AND FUNDS AVAILABLE FOR TRAINING SHOULD BE INCREASED

The Workforce Development Act makes a deliberate effort to ensure that funding for certain important education activities is maintained. The same cannot be said for funding for adult training programs.

A very high percentage of funds that are in the programs which the Workforce Development act would collapse into block grants are funds currently spent on job training programs. However, there is no explicit requirement that States provide training for adults in either the 25 percent of funds allotted to Workforce Employment activities or the 50 percent of funds allotted to "Flex Account" activities.

Within the Workforce Employment grant a significant portion of funds are specifically earmarked for development of one-stop career centers; but training is only a permissive activity. Similarly, while the bill now devotes $2.1 billion to work force development activities directed to at-risk youth, there are no guarantees that States will use any of their flex account funds for adult training.

Even if States and localities are willing to spend their Workforce Employment funds on adult job training, they will be hard-pressed to do it. Of the 25 percent of funds allotted to Workforce Employment activities, 25 percent of that amount is reserved for state-level activities. Thus by the time the funds reach the local level for actual services to individuals, the amount available for these purposes represents only slightly more than one-half the current expenditure for adult training—$1.2 billion under S. 143 versus $2.3 billion under current law. And since the local share for work force employment activities is also to be used to pay for one-stop career centers, labor market information systems and the job placement accountability system, these requirements could end up consuming the entire sum of local work force employment activity funds, leaving nothing for actual job training.

This diminution of the priority and resources devoted to job training for adults is a serious flaw in the bill. With the increasing pace of corporate downsizing, trade-related dislocations, and defense-related layoffs, it should be clear that we need to increase rather than diminish our investment in helping dislocated workers retrain for new occupations. Moreover, any serious reform of the welfare system will require a substantially increased investment in job training services for economically disadvantaged adults.

At the committee mark-up Senator Pell and Senator Kennedy advanced two separate proposals to try to correct for this problem. One proposal would have increased the amount of funds in the Workforce Employment account from 25 percent to 40 percent, there by ensuring that sufficient resources exist for States and local communities to fund both one-stop activities and training activities. The other proposal would change the ratio of funding for the three block grants in the bill from 25–50–25 percent to 33–33–33 percent. Unfortunately, both of these amendments failed. We intend to offer similar amendments on the Senate floor.

SEPARATE FUNDING SHOULD BE PROVIDED FOR ADULT EDUCATION

S. 143, as currently configured, threatens adult education services. The current wording of the legislation could result in decreased or zero funding to adult education at a time when strengthening basic education is fundamental to strengthening the skills of workers, helping youth obtain their high school equivalency degree, and providing parents with the literacy skills they need to help their children succeed in school.

Current estimates suggest that only one-half of those requesting adult education services are now receiving them. An amendment added at the committee markup requires States to withhold certain work force employment and training services from adults who have not completed or are not enrolled in a course of study leading to a high school equivalency degree. However, State responsibility for the requirement ends when individuals are referred for adult education services. Increased demand as a result of this provision of the legislation, added to estimates of current need for adult education, suggest a minimum tenfold increase over the current demand for services.

Adult education service delivery in most States is heavily dependent on the services of volunteers and part-time instructors. These individuals provide an invaluable service to clients, but are able to meet only half of the demand for services and cannot grow to meet a ten times greater demand. There is a real danger that we may end up wasting the already meager Federal dollars authorized for work force development unless we include provisions that these core adult education services be adequately supported. It was for these reasons that we supported in committee and will support on the floor efforts to designate a minimum percentage of the funds that are authorized under this legislation for adult education.

These problems we have noted are exacerbated by provisions that fail to direct adult education and literacy services to those who need them. As conceived in this bill, literacy and adult education services would serve primarily as a means to get individuals off public assistance and into employment. While this is a worthy and necessary goal, its narrow focus is inconsistent with the purposes of the laws which this legislation seeks to repeal, and contradicts recent data on the education needs of adult learners.

The National Evaluation of Adult Education Programs found that half of those receiving adult education services were employed. These individuals do not necessarily need services for employment-related reasons. Only 11 percent of those enrolled in adult education programs were receiving public assistance. Over 70 percent of instruction hours were focused on those for whom English is a second language.

The bill does not recognize these findings. Even though S. 143 repeals the Adult Education Act, nothing in the bill as currently written would require States to monitor their performance in serving those with limited reading and writing skills. Benchmarks in the Work Force Development bill, intended to ensure that States monitor their progress in serving those most in need of education services, focus only on welfare recipients, dislocated workers, older workers, and those with disabilities. As the National Evaluation suggests, it is a different segment of the population whose members are most in need of adult education services. Attempts to revise the bill to address this deficiency were unsuccessful, but we intend to revisit this issue when the bill goes to the Senate floor.

We commend Senator Kassebaum for accepting changes to the bill that include adult education service providers in the development of State and local plans. Their participation will increase the likelihood that plans will be guided by applicable knowledge and experience, and that the needs of adult education recipients will be

represented when State and local priorities are established. We also applaud the specific inclusion of public libraries, one of the principal providers of adult education literacy services, among those entities eligible to receive adult education funds. However, we are concerned that these provisions, absent adequate levels of funding, will not achieve the desired outcome.

PROVISIONS RELATING TO VOUCHERS SHOULD BE MODIFIED

We are pleased that the committee bill includes the concept of skill grants or vouchers for the delivery of job training services. Skill vouchers will empower Americans by placing the purchasing power for education and training in their hands. Armed with information on job prospects in the local labor market, the skill requirements of employers, and the performance of community colleges and other training providers, recipients will be able to make informed choices about training and education courses. We believe that the opportunity to use skill vouchers should be made available to participants in job training programs in all 50 States. However, we are concerned about broadening the use of vouchers to all types of services—including those for which they may not be appropriate—rather than limiting them to education and training services.

MAINTAINING THE CONNECTION BETWEEN VOCATIONAL EDUCATION AND SCHOOL-TO-WORK PROGRAMS AND OTHER K-12 REFORM INITIATIVES

Senator Kassebaum has been unyielding in her efforts to ensure that S. 143 establishes important linkages between vocational and career preparation programs and post-secondary and adult training programs. She is right to insist on this connection. However, we are concerned that as we are strengthening this connection we may be jeopardizing a different and equally important set of linkages.

Over the past 5 years, in a series of education reform bills—Goals 2000, the Elementary and Secondary Education Act, and the School-to-Work Opportunities Act—Congress has laid out a framework of Federal support for elementary and secondary education that would encourage States to consolidate their planning for Federal education dollars with their own State education plans. In the Elementary and Secondary Education Act, States were given the flexibility to write one application for all Federal education dollars, including vocational education funds. The effect of this provision will be integration of programs throughout our schools, and more specifically, a better connection between academic and vocational education in the high schools.

This integration is threatened by this legislation because States are required to plan the use of Federal work force education funds as part of an overall work force development plan rather than as part of an education plan for high schools. This latter provision is an extremely worthwhile goal, but some flexibility needs to be built into the legislation so that integration of education planning is not sacrificed to reach the goal of integration of education and job training. The 1990 amendments to the Carl D. Perkins Vocational Education Act greatly enhanced the integration of academic and vocational education, and we do not want that process interrupted.

The committee worked in a bipartisan fashion to strengthen the local planning role in order to encourage integrated planning, and we intend to seek a floor amendment that would give States more flexibility in integrating education and work force education planning. From our earliest discussions about work force development, we have believed that a separate title for youth in the work force development consolidation would have been the best way to maintain the progress States have made in integrated planning, and would have allowed a much better articulation between high schools and post high school training. From our perspective, the Nation's success in creating a well-trained work force for the future will be directly related to its success in achieving well-articulated kindergarten through post-baccalaureate education programs that hold all students to high academic and skill standards.

OPERATIONAL PROVISIONS OF THE SCHOOL-TO-WORK MODEL SHOULD BE RETAINED

We are pleased to see that language supporting school-to-work activities is included in the bill reported from the full committee. However, the language does not ensure a clear role for the private sector at the school district level, through local level partnerships. Current law is based on the principle that Federal ''catalytic'' resources will only be available to partnerships where school and business leaders agree on what will be done. It is a model that is working.

As John Hamill, president of Fleet Bank of Massachusetts, said in a letter to members of the committee, the requirement for local school-business agreement is at the heart of the school-to-career reform concept: ''If businesses are to be asked to provide employment and learning on the job they need a seat at the planning table and a share of the responsibility for results. The requirement to collaborate with business in design and implementation helps schools achieve dramatic change.'' To ensure a structure of opportunity for full business participation at the local level, the committee's bill should be amended to include within the definition of ''School-to-Work Activities'' a requirement that such activities be designed and operated by local partnerships which include representatives of the private sector and local educational agencies.

We were unsuccessful in securing an explicit preservation of the core operational provisions of the school-to-work model in this bill, and we believe the bill, in its current form, is not explicit enough to ensure that these important provisions will be implemented by all States. The committee did, however, make very important changes on the School-to-Work transition activities. The School-to-Work Opportunities Act sunsets in 2001. We were successful in working with Senator Kassenbaum to push back the repeal date to 1998. This change will allow every State to receive Federal start-up funds to plan and construct the infrastructure for a better system for students who are preparing to enter the work force. Further, the legislation requires that Governors, once their State has accepted school-to-work funds, continue to implement these activities from the ''flex account'' in later years. This was an important compromise, and one we strongly supported. In a June 1995 letter to Senator Kassenbaum, the National Governor's Association sup-

ports a mechanism that will ensure that School-to-Work, as it is currently constructed continues. The letter is included at the end of the minority views.

GAINS IN VOCATIONAL EDUCATION SHOULD BE RETAINED

As a result of both the 1990 Perkins reauthorization and the School-to-Work Opportunities Act, vocational education has begun a number of important changes in the past few years. As stated earlier, it is critically important that the Perkins provisions that led to these promising improvements not be abandoned and that States and schools review the valuable lessons of the last 3 years. We would have preferred language in the legislation that more explicitly encourages States to preserve the gains that have resulted from the 1990 reauthorization, and to build on their current efforts. These changes are essential to enable vocational education to be an important building block in the school-to-work system.

Among the most important lessons is that standards to which students in vocational programs are held must be the same as the standards for all students. Too often in the past, vocational activities in high schools have been isolated from mainstream academic activities. As a result, many students have not acquired academic and technical skills needed in today's economy. Furthermore, it is important that work force education programs used to support general track students also adhere to high expectations and standards for students.

Accountability for federal funds in this legislation rests entirely on measuring outcomes for students, an accountability mechanism we support. Nearly every State, however, has developed academic standards for students. We expect, therefore, that in developing benchmarks to determine accountability for work force education funding, States will use these standards in developing benchmarks for section 114(c)(2)(A).

Another important change in the 1990 legislation is increased emphasis on educating students about all aspects of the industry they are preparing to enter. We intend to continue to seek the inclusion of language that would encourage States to design work force education activities in such a way that students study "all aspects" of industries, not just a narrow skills. This kind of broad-based education strengthens the ability of individuals to move within the industry, advance in their careers, and improve their standard of living.

LABOR MARKET INFORMATION

We appreciate the bipartisan manner in which the majority has approached the critical issue of improving the quality of labor market information and believe that the legislation lays the foundation for a system which will provide quality information to both jobseekers, employers and those responsible for designing and managing the work force development system.

Before the bill goes to the floor, we would like to clarify our understanding that the reservation in section 119 for labor market information activities is for new activities described in subparagraph 1(E) and paragraphs (2) through (6) of section 303, and that the current cooperative statistics program run by the Bureau of Labor

Statistics (BLS) would continue to be funded as they are at present. We are also concerned that the role of the Governing Board in the LMI area would seriously jeopardize the ability of BLS to fulfill its responsibility to produce high quality national statistics and hope that this issue can be resolved in the continuing discussions on the governance aspects of this legislation.

THE SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM SHOULD NOT BE PART OF THE BLOCK GRANT

We believe that Title V, the Senior Community Service Employment Program (SCSEP) is a critical part of the Older Americans Act and is more appropriately reauthorized as part of the Older Americans Act. Therefore, we believe that Title V does not belong as part of the block grant.

SCSEP is primarily a community service program. It has a unique mission in serving the needs of disadvantaged low-income Americans 55 years of age or older who have poor employment prospects. As an integral part of the Older Americans Act, SCSEP merges this employment program with community service. It is the backbone of senior nutrition and support services programs as well as many day care centers and recreational programs.

In committee, we supported an amendment offered by Senator Mikulski to strike Title V of the Older Americans Act from the block grant. Unfortunately, this amendment was rejected. We intend to offer a similar amendment on the Senate floor.

CONCLUSION

We look forward to working with proponents of S. 143 to resolve the issues that separate us. We commend Senator Kassebaum and her staff for their excellent work on this legislation, and for the spirit of collaboration and bipartisanship that has characterized our efforts from the beginning. Workforce development is an issue of extraordinary importance, and on our success in this arena hinges the economic futures of individuals, and the strength of this country's economic competitiveness. We are eager to get it right, and look forward to supporting this important legislation.

EDWARD M. KENNEDY.
PAUL SIMON.
BARBARA MIKULSKI.
CHRIS DODD.
TOM HARKIN.
PAUL WELLSTONE.

X. CHANGES IN EXISTING LAW

In compliance with rule XXVI paragraph 12 of the Standing Rules of the Senate, the following provides a print of the statute or the part or section thereof to be amended or replaced (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 42—UNITED STATES CODE

SOCIAL SECURITY ACT

* * * * * * *

§ 1101 * * *

* * * * * * *

(c) * * *

(1) * * *

(A) * * *

* * * * * * *

[(ii) the establishment and maintenance of systems of public employment offices in accordance with the Act of June 6, 1933, as amended]

(ii) the establishment and maintenance of statewide workforce development systems, to the extent the systems are used to carry out activities described in section 303, or in any of clauses (ii) through (v) of section 113(a)(2)(B) of the Workforce Development Act of 1995.

* * * * * * *

(B) such amounts (not in excess of the limit provided by paragraph (4) with respect to clause (iii)) as the Congress may deem appropriate for the necessary expenses of the [Department of Labor] *Department of Labor or the Workforce Development Partnership, as appropriate,* for the performance of its functions under—

* * * * * * *

[(iii) the provisions of the Act of June 6, 1933, as amended,]

(iii) the Workforce Development Act of 1995.

* * * * * * *

(4) For purposes of paragraph (1)(A)(ii) and (1)(B)(iii) the amount authorized to be made available out of the employment security administration account for any fiscal year after June 30, 1972, shall reflect the proportion of [the total cost of administering the system of public employment offices in accord-

ance with the Act of June 6, 1933, as amended, and of the necessary expenses of the Department of Labor for the performance of its functions under the provisions of such Act, as the President determines] *the total cost of administering the statewide workforce development systems, to the extent the systems are used to carry out described in section 303 or in any of clauses (ii) through (v) of section 113(a)(2)(B), of the Workforce Development Act of 1995, and of the necessary expenses of the Workforce Development Partnership for the performance of the functions of the partnership under such Act, as the President determines.*

* * * * * * *

TITLE 20—UNITED STATES CODE

SCHOOL-TO-WORK OPPORTUNITIES ACT OF 1994

* * * * * * *

TITLE V—WAIVER OF STATUTORY AND REGULATORY REQUIREMENTS

§ 501. * * *

(a) STATE REQUEST FOR WAIVER.—A State may submit to the [Secretaries] *Secretary of Education* a request for a waiver of 1 or more requirements of the provisions of law referred to in sections [502 and 503] *502,* or of the regulations issued under such provisions, in order to carry out the statewide School-to-Work Opportunities system established by such State under subtitle B of title II. The State may submit the request as a part of the application described in section 213 (or as an amendment to the application at any time after submission of the application). Such request may include a request for different waivers with respect to different areas within the State.

(b) LOCAL PARTNERSHIP REQUEST FOR WAIVER.—

(1) IN GENERAL.—A local partnership that seeks a waiver of such a requirement shall submit an application for such waiver to the State, and the State shall determine whether to submit a request for a waiver to the [Secretaries] *Secretary of Education,* as provided in subsection (a).

(2) TIME LIMIT.—

(A) IN GENERAL.—The State shall make a determination to submit or not submit the request for a waiver under paragraph (1) not later than 30 days after the date on which the State receives the application from the local partnership.

(B) DIRECT SUBMISSION.—

(i) IN GENERAL.—If the State does not make a determination to submit or not submit the request within the 30-day time period specified in subparagraph (A), the local partnership may submit the application to the [Secretaries] *Secretary of Education.*

(ii) Requirements.—In submitting such an application, the local partnership shall obtain the agreement of the State involved to comply with the requirements of section [502(a)(1)(C) or 503(a)(1)(C), as appropriate,] *section 502(a)(1)(C)* and comply with the other requirements of section 502 or 503, as appropriate, and of subsections (c) and (d), that would otherwise apply to a State submitting a request for a waiver. In reviewing such an application, the [Secretaries] *Secretary of Education* shall comply with the requirements of such section and such subsections that would otherwise apply to the [Secretaries] *Secretary of Education* with respect to review of such a request.

(c) WAIVER CRITERIA.—Any such request by the State shall meet the criteria contained in [section 502 or 503] *section 502* and shall specify the provisions or regulations referred to in such sections with respect to which the State seeks a waiver.

* * * * * * *

§ 502. * * *

* * * * * * *

(b) * * *

* * * * * * *

(4) part B of title IX of the Elementary and Secondary Education Act of 1965[;] *and*

(5) title XIII of the Elementary and Secondary Education Act of 1965[; and].

[(6) the Carl D. Perkins Vocational and Applied Technology Education Act.]

* * * * * * *

[§ 503. * * *.

[(a) Waiver

[(1) In general Except as provided in subsection (b), the Secretary of Labor may waive any requirement under any provision of the Job Training Partnership Act (29 U.S.C. 1501 et seq.), or of any regulation issued under such provision, for a State that requests such a waiver and has an approved State plan—

[(A) if, and only to the extent that, the Secretary of Labor determines that such requirement impedes the ability of the State or a local partnership to carry out the purposes of this Act;

[(B) if the State provides the Secretary of Labor with documentation of the necessity for the waiver, including information concerning

[(i) the specific requirement that will be waived;

[(ii) the specific positive outcomes expected from the waiver and why those outcomes cannot be achieved while complying with the requirement;

[(iii) the process that will be used to monitor the progress of the State or local partnership in implementing the waiver; and

[(iv) such other information as the Secretary of Labor may require;

[(C) if the State waives, or agrees to waive, similar requirements of State law; and

[(D) if the State

[(i) has provided all local partnerships that carry out programs under this Act in the State with notice and an opportunity to comment on the proposal of the State to seek a waiver,

[(ii) provides, to the extent feasible, to students, parents, advocacy and civil rights groups, and labor and business organizations an opportunity to comment on the proposal of the State to seek a waiver; and

[(iii) has submitted the comments of the local partnerships to the Secretary of Labor.

[(2) Approval or disapproval. The Secretary of Labor shall promptly approve or disapprove any request submitted pursuant to paragraph (1) and shall issue a decision that shall

[(A) include the reasons for approving or disapproving the request, including a response to comments on the proposal; and

[(B) in the case of a decision to approve the request, be disseminated by the State seeking the waiver to interested parties, including educators, parents, students, advocacy and civil rights organizations, labor and business organizations, and the public.

[(3) Approval criteria. In approving a request under paragraph (2), the Secretary of Labor shall consider the amount of State resources that will be used to implement the approved State plan.

[(4) Term.—Each waiver approved pursuant to this subsection shall be for a period not to exceed 5 years, except that the Secretary of Labor may extend such period if the Secretary of Labor determines that the waiver has been effective in enabling the State or local partnership to carry out the purposes of this Act.

[(b) WAIVERS NOT AUTHORIZED.—The Secretary of Labor may not waive any requirement under any provision of the Job Training Partnership Act (29 U.S.C. 1501 et seq.), or of any regulation issued under such provision, relating to—

[(1) the basic purposes or goals of such provision;

[(2) maintenance of effort;

[(3) the distribution of funds;

[(4) the eligibility of an individual for participation in a program under such provisions;

[(5) public health or safety, labor standards, civil rights, occupational safety and health, or environmental protection; or

[(6) prohibitions or restrictions relating to the construction of buildings or facilities.

[(c) TERMINATION OF WAIVERS.—The Secretary of Labor shall periodically review the performance of any State or local partnership

for which the Secretary of Labor has granted a waiver under this section and shall terminate the waiver under this section if the Secretary of Labor determines that the performance of the State or local partnership affected by the waiver has been inadequate to justify a continuation of the waiver, or the State fails to waive similar requirements of State law as required or agreed to in accordance with subsection (a)(1)(C).]

* * * * * * *

§ 504. * * *

(a) * * *

* * * * * * *

(2) * * *

* * * * * * *

* * * * * * *

(B) * * *

[(i) the provisions of law listed in paragraphs (2) through (6) of section 502(b); and

[(ii) the Job Training Partnership Act (29 U.S.C. 1501 et seq.).]

(i) the provisions of law listed in paragraphs (2) through (5) of section 502(b);

(ii) the Job Training Partnership Act (29 U.S.C. 1501 et seq.); and

(iii) the Carl D. Perkins Vocational and Applied Technology Education Act (20) U.S.C. 2301 et seq.)

(b) USE OF FUNDS.—A local partnership may use the Federal funds combined under subsection (a) under the requirements of this Act, except that the provisions relating to the matters specified in paragraphs (1) through (6) and paragraphs (8) and (9) of section 502(c), and paragraphs [(1) through (3) and paragraphs (5) and (6) of section 503(b)] *paragraphs (2) through (4) and paragraphs (6) and (7) of section 505(b),* that relate to the program through which the funds described in subsection (a)(2)(B) were made available, shall remain in effect with respect to the use of such funds.

* * * * * * *

§ 505. * * *

* * * * * * *

[(b) USE OF FUNDS.—A State may use, under the requirements of this Act, Federal funds that are made available to the State and combined under subsection (a) to carry out school-to-work activities, except that the provisions relating to the matters specified in section 502(c), and section 503(b), that relate to the program through which the funds described in subsection (a)(2)(B) were made available, shall remain in effect with respect to the use of such funds.]

(b) USE OF FUNDS.—A State may use, under the requirements of this Act, Federal funds that are made available to the State and combined under subsection (a) to carry out school-to-work activities, except that the provisions relating to—

(1) the matters specified in section 502(c); or

(2) basic purposes or goals;
(3) maintenance of effort;
(4) distribution of funds;
(5) eligibility of an individual for participation;
(6) public health or safety, labor standards, civil rights, occupational safety and health, or environmental protection; or
(7) prohibitions or restrictions relating to the construction of buildings or facilities; that relate to the program through which the funds described in subsection (a)(2)(B) were made available, shall remain in effect with respect to the use of such funds".

* * * * * * *

TITLE 29—UNITED STATES CODE

* * * * * * *

JOB TRAINING PARTERSHIP ACT

§ 1691 * * *

* * * * * * *

§ 439A. Operating Plan.

(a) SUBMISSION OF PLAN.—To be eligible to operate a Job Corps center and receive assistance under this part for fiscal year 1997, an entity shall prepare and submit, to the Secretary and the Governor of the State in which the center is located, and obtained the approval of the Secretary for, an operating plan that shall include, at a minimum, information indicating—

(1) in quantifiable terms, the extent to which the center will contribute to the achievement of the proposed State goals and State benchmarks identified in the interim plan for the State submitted under section 211 of the Workforce Development Act of 1995;

(2) the extent to which workforce employment activities and workforce education activities delivered through the Job Corps center are directly linked to the workforce development needs of the industry sectors most important to the economic competitiveness of the State; and

(3) an implementation strategy to ensure that all enrollees assigned to the Job Corps center will have access to services through the one-stop career center system of the State identified in the interim plan.

(b) SUBMISSION OF COMMENTS.—Not later than 30 days after receiving an operating plan described in subsection (a), the Governor of the State in which the center is located may submit comments on the plan to the Secretary.

(c) APPROVAL.—The Secretary shall not approve an operating plan described in subsection (a) for a center if the Secretary determines that the activities proposed to be carried out through the center are not sufficiently integrated with the activities carried out through the system of the State in which the center is located.

* * * * * * *

TITLE 5—UNITED STATES CODE

* * * * * * *

§ 11. As used in this Act—

(1) the term "head of the establishment" means the Secretary of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Housing and Urban Development, the Interior, Labor, State, Transportation, or the Treasury; the Attorney General; *the Governing Board of the Workforce Development Partnership;* the Administrator of the Agency for International Development, Environmental Protection, General Services, National Aeronautics and Space, or Small Business, or Veterans' Affairs; the Director of the Federal Emergency Management Agency, the Office of Personnel Management or the United States Information Agency; the Chairman of the Nuclear Regulatory Commission or the Railroad Retirement Board; the Chairperson of the Thrift Depositor Protection Oversight Board and the chief officer of the Resolution Trust Corporation; as the case may be;

(2) the term "establishment" means the Department of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Housing and Urban Development, the Interior, Justice, Labor, State, Transportation, or the Treasury; *the Workforce Development Partnership;* the Agency for International Development, the Environmental Protection Agency, the Federal Emergency Management Agency, the General Services Administration, the National Aeronautics and Space Administration, the Nuclear Regulatory Commission, the Office of Personnel Management, the Railroad Retirement Board, the Resolution Trust Corporation, the Small Business Administration, the United States Information Agency, or the Veterans' Administration; as the case may be;

* * * * * * *

§ 5315. * * *

* * * * * * *

[Assistant Secretaries of Labor (10)**]**, *Assistant Secretaries of Labor (9),* one of *whom shall be the Assistant Secretary of Labor for Veterans' Employment and Training.*

* * * * * * *

[(Assistant Secretaries of Education (10)**]**
(Assistant Secretaries of Education (9)

* * * * * * *

TITLE 20—UNITED STATES CODE

DEPARTMENT OF EDUCATION ORGANIZATION ACT

* * * * * * *

§ 3412. * * *

* * * * * * *

(b) * * *
(1) * * *

* * * * * * *

[(C) an Assistant Secretary for Vocational and Adult Education;]
[(D)] *(C)* an Assistant Secretary for Special Education and Rehabilitative Services;
[(E)] *(D)* an Assistant Secretary for Civil Rights; and
[(F)] *(E)* a General Counsel.

* * * * * * *

[(h) Literacy related programs in the Department of Education. The Assistant Secretary for Vocational and Adult Education, in addition to performing such functions as the Secretary may prescribe, shall have responsibility for coordination of all literacy related programs and policy initiatives in the Department. The Assistant Secretary for Vocational and Adult Education shall assist in coordinating the related activities and programs of other Federal departments and agencies.]
[(i)] *(h)* Liaison for Community and Junior Colleges.

* * * * * * *

[§ 3416. Office of Vocational and Adult Education

[There shall be in the Department an Office of Vocational and Adult Education, to be administered by the Assistant Secretary for Vocational and Adult Education appointed under section 202(b). The Assistant Secretary shall administer such functions affecting vocational and adult education as the Secretary shall delegate, and shall serve as principal adviser to the Secretary on matters affecting vocational and adult education. The Secretary, through the Assistant Secretary, shall also provide a unified approach to rural education and rural family education through the coordination of programs within the Department and shall work with the Federal Interagency Committee on Education to coordinate related activities and programs of other Federal departments and agencies.]

* * * * * * *

TITLE 20—UNITED STATES CODE

* * * * * *

IMPROVING AMERICA'S SCHOOLS ACT OF 1994

* * * * * * *

§ 9001. * * *

(c) DEFINITIONS.—For the purpose of this title and unless otherwise specified—

(1) the term "Assistant Secretary" means the Assistant Secretary for Educational Research and Improvement [established

under section 202(b)(1)(E) of the Department of Education Organization Act];

* * * * * * *

TITLE 20—UNITED STATES CODE

GOALS 2000: EDUCATE AMERICA ACT

* * * * * * *

§ 6031. * * *

* * * * * * *

(h) * * *

* * * * * * *

(3) * * *

* * * * * * *

(A) * * *

* * * * * * *

[(iii) the Office of Vocational and Adult Education; (iv) the National Institute on Disability and Rehabilitation Research; and (v) the Office of Postsecondary Education;]

[(iv)] *(iii)* the National Institute on Disability and Rehabilitation Research; and

[(v) *(iv)* the Office of Postsecondary Education;

* * * * * * *

TITLE 29—UNITED STATES CODE

VETERANS' BENEFITS AND PROGRAMS IMPROVEMENT ACT OF 1988

* * * * * * *

§ 1721 Note. * * *

* * * * * * *

(d) * * *

* * * * * * *

"(3) Employment assistance and unemployment compensation under the trade adjustment assistance program provided in chapter 2 of title II of the Trade Act of 1974 [and under any other program administered by the Employment and Training Administration of the Department of Labor].

* * * * * * *

TITLE 38—UNITED STATES CODE

* * * * * * *

§ 4110 * * *

* * * * * * *

(d) * * *

* * * * * * *

[(7) The Assistant Secretary of Labor for Employment and Training.**]**

[(8)**]** (*7) The Chairman of the Equal Employment Opportunity Commission.*

[(9)**]** (*8*) The Administrator of the Small Business Administration.

[(10)**]** (*9*) The Postmaster General.

[(11)**]** (*10*) The Director of the United States Employment Service.

[(12)**]** (*11*) Representatives of—

* * * * * * *

TITLE 42—UNITED STATES CODE

NATIONAL COMMUNITY AND SERVICE ACT OF 1990.

* * * * * * *

§ 12622 * * *

* * * * * * *

(b) Secretary of Labor. Upon the establishment of the Program, the Secretary of Labor shall identify and assist in establishing a system for the recruitment of persons to serve as members of the Civilian Community Corps. **[**In carrying out this subsection, the Secretary of Labor may utilize the Employment Service Agency **[**or the Office of Job Training**]]**.

* * * * * * *

TITLE 5—UNITED STATES CODE

* * * * * * *

§ 3327. * * *

(a) The Office of Personnel Management shall provide that information concerning opportunities to participate in competitive examinations conducted by, or under authority delegated by, the Office of Personnel Management shall be made available to **[**the employment offices of the United States Employment Service**]** *Governors*.

(b) Subject to such regulations as the Office may issue, each agency shall promptly notify the Office and the employment offices **[**of the United States Employment Service**]** of—

* * * * * * *

TITLE 10—UNITED STATES CODE

* * * * * * *

§ 1143a * * *

(d) * * *

* * * * * * *

[(3) The Secretary may provide personnel registered under subsection (b) with access to the interstate job bank program of the United States Employment Service if the Secretary determines that such program meets the needs of separating members of the armed forces for job placement.]

* * * * * * *

§ 2410k * * *

* * * * * * *

(b) REQUIREMENT.—The regulations promulgated under this section shall require each contractor carrying out a contract described in subsection (c) to list immediately with the appropriate local employment service office[, and where appropriate the Interstate Job Bank (established by the Untied States Employment Service),] all of its suitable employment openings under such contract.

* * * * * * *

TITLE 26—UNITED STATES CODE

INTERNAL REVENUE CODE OF 1986

* * * * * * *

§ 51 * *

* * * * * * *

[(g) United States Employment Service to notify employers of availability of credit, The United States Employment Service, in consultation with the Internal Revenue service, shall take such steps as may be necessary or appropriate to keep employers apprised of the availability of the targeted jobs credit determined under this subpart.]

* * * * * * *

TITLE 29—UNITED STATES CODE

* * * * * * *

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993

* * * * * * *

§ 1662d-1 note

* * * * * * *

[Job Bank program for discharged military personnel, terminated defense employees, and displaced employees of defense contractors. Act Oct. 23, 1992,

[Section 4468, 106 Stat. 2752, provides:

["(a) Interstate Job Bank program. The Secretary of Defense shall establish a program to expand the services of and provide access to the Interstate Job Bank program in the United States Employment Service to individuals eligible for training, adjustment assistance, and employment services under sections 325 and 325A of the Job Training Partnership Act and, in the case of members of the Armed Forces so eligible, the spouses of such members. The Secretary may establish such program in coordination with the Defense Outplacement Referral system and other automated job opening networks.

["(b) Services included. The program established under subsection (a) may include the following services:

["(1) A phone bank reachable by a toll-free number, staffed by an international "help desk" of individuals familiar with the services provided under section 1144 of title 10, United States Code, and related transition programs under chapter 58 of such title (in the case of members of the Armed Forces, priority shall be given to recently-discharged veterans, members of the Armed Forces who have been separated from active duty, and their spouses).

["(2) Interstate Job Bank satellite offices or systems at defense contractor plants by State employment security agencies and at all military bases for direct access and self service to job listings.

["(3) Specialized job banks to integrate with the Interstate Job Bank for specialized listings or services such as the Defense Outplacement Referral System (DORS) of resumes, National Academy of Sciences Network, commercial systems, and the outplacement of defense-related personnel in high-tech occupations through the expansion and coordination of existing networks to ensure that resources are available at all service locations.

["(4) A system by which individuals and public and private organizations may access the Interstate Job Bank using individual modems or related automated employment systems.

["(c) Funding for fiscal year 1993. Of the amount authorized to be appropriated in section 301 [unclassified] for Defense Agencies, $4,000,000 shall be available to carry out the program established under subsection (a)."]

* * * * * * *

TITLE 38—UNITED STATES CODE

* * * * * * *

§ 4110 * * *

* * * * * * *

(d) * * *

* * * * * * *

[(10) The Postmaster General.]

[(11)] *(10)* The Director of the United States Employment Service.

* * * * * * *

TITLE 39—UNITED STATES CODE

* * * * * * *

§ 3202. * * *

(a) * * *

(1) * * *

* * * * * * *

(D) the Pan American Sanitary Bureau[;] *; and*

[(E) the United States Employment Service and the system of employment offices operated by it in conformity with the provisions of sections 49–49c, 49d, 49e–49k of title 29, and all State employment systems which receive funds appropriated under authority of those sections; and]

[(F)] *(E)* any college officer or other person connected with the extension department of the college as the Secretary of Agriculture may designate to the Postal Service to the extent that the official mail consists of correspondence, bulletins, and reports for the furtherance of the purpose of section 341–343 and 344–348 of title 7;

* * * * * * *

§ 3203 * * *

* * * * * * *

(b) The Postal Service shall prescribe the endorsement to be placed on covers mailed under clauses [(1)(E), (2), and (3)] *(2) and (3)* of section 3202(a) of this title.

* * * * * * *

§ 3206 * * *

* * * * * * *

(b) The Department of Agriculture shall transfer to the Postal Service as postal revenues out of any appropriations made to it for that purpose the equivalent amount of postage, as determined by the Postal Service, for penalty mailings under clauses [(1)(F)] *(1)(E)* and (4) of section 3202(a) of this title.

* * * * * * *

TITLE 29—UNITED STATES CODE

REHABILITATION ACT OF 1973

* * * * * * *

§ 701. * * *

(a) * * *

* * * * * * *

(4) increased employment of individuals with disabilities can be achieved through the [provision of individualized training, independent living services, educational and support services,] *implemenation of a statewide work force development system that provides meaningful and effective participation for individuals with disabilities in work force development activities and activities carried out through the vocational rehabilitation program established under title I, and through the provision of independent living services, support services,* and meaningful opportunities for employment in integrated work settings through the provision of reasonable accommodations;

* * * * * * *

(b) * * *

(1) * * *

(A) *statewide work force development systems that include, as integral components,* comprehensive and coordinated state-of-the-art programs of vocational rehabilitation;

[§ 705. Consolidated rehabilitation plan

[(a) Election by State; agency concurrence. In order to secure increased flexibility to respond to the varying needs and local conditions within the State, and in order to permit more effective and interrelated planning and operation of its rehabilitation programs, the State may submit a consolidated rehabilitation plan which includes the State's plan under section 101(a) of this Act and its program for persons with developmental disabilities under the Developmental Disabilities Assistance and Bill of Rights Act Provided, That the agency administering such State's program under such Act concurs in the submission of such a consolidated rehabilitation plan.

[(b) Approval by Secretary of consolidated rehabilitation plan meeting statutory requirements; submission by State of separate rehabilitation plans. Such a consolidated rehabilitation plan must comply with, and be administered in accordance with, all the requirements of this Act and the Developmental Disabilities Assistance and Bill of Rights Act If the Secretary finds that all such requirements are satisfied, the Secretary may—

[(1) approve the plan to serve in all respect as the substitute for the separate plans which would otherwise be required with respect to each of the programs included therein; or

[(2) advise the State to submit separate plans for such programs.

[(c) Noncompliance; assistance termination procedures. Findings of noncompliance in the administration of an approved consolidated rehabilitation plan, and any reductions, suspensions, or terminations of assistance as a result thereof, shall be carried out in ac-

cordance with the procedures set forth in subsections (c) and (d) of section 107 of this Act.]

* * * * * * *

§ 706. * * *

* * * * * * *

(35) * * *

(36) The term "statewide workforce development system" means a system, as defined in section 3 of the Workforce Development Act of 1995.

(37) The term "workforce development activities" has the meaning given the term in section 3 of the Workforce Development Act of 1995.

(38) The term "workforce development activities" means the activities described in paragraphs (2) through (8) of section 113(a) of the Workforce Development Act of 1995, including such activities provided through vouchers described in section 113(a)(9) of such Act.

* * * * * * *

§ 711 * * *

(a) * * *

(1) provide consultative services and technical assistance to public or nonprofit private agencies and organizations, *including providing assistance to achieve the meaningful and effective participation by individuals with disabilities in the activities carried out through a statewide workforce development system;*

* * * * * * *

§ 712. Reports to President and Congress

Not later than one hundred and twenty days after the close of each fiscal year, the Commissioner shall prepare and submit to the President and to the Congress a full and complete report on the activities carried out under this Act, including the activities and staffing of the information clearinghouse under section 15. The Commissioner shall annually collect information on each client whose case is closed out in the preceding fiscal year and include the information in the report required by this section. The information shall set forth a complete count of such cases in a manner permitting the greatest possible cross-classification of data. [The data elements shall include, but not be limited to, age,] *The information shall include all information that is required to be submitted in the report described in section 114(a) of the Workforce Development Act of 1995 and that pertains to the employment of individuals with disabilities, including information on age,* sex, race, ethnicity, education, type of disability, severity of disability, key rehabilitation process dates, earnings at time of entry into program and at closure, work status, occupation, cost of case services, types of services provided, including types of rehabilitation technology services provided, types of facilities or agencies which furnished services and whether each such facility or agency is public or private, and reasons for closure. The Commissioner shall take whatever action is

necessary to ensure that the identity of each client for which information is supplied under this subsection is confidential. Such annual reports shall also include statistical data reflecting services and activities provided individuals during the preceding fiscal year. The annual report shall include an evaluation of the status of individuals with severe disabilities participating in programs under this Act.

* * * * * * *

§ 713. * * *

(a) Statement of purpose; standards; persons eligible to conduct evaluations. For the purpose of improving program management and effectiveness, the Secretary, in consultation with the Commissioner, shall evaluate all the programs authorized by this Act, their general effectiveness in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services, using appropriate methodology and evaluative research designs. The Secretary shall establish and use standards for the evaluations required by this subsection. The standards shall, **[**to the extent feasible, for all appropriate programs include standards relating to the increases in employment and earnings, taking into account economic factors in the area to be served by the program, the characteristics of the individuals with disabilities to be served, and the employment outcome to be attained.**]** *to the maximum extent appropriate, be consistent with the State benchmarks established under paragraphs (1) and (2) of section 14(c) of the Workforce Development Act of 1995. For purposes of this section, the Secretary may modify or supplement such benchmarks after consultation with the Governing Board established under section 301(b) of the Workforce Development Act of 1995, to the extent necessary to address unique considerations applicable to the participation of individuals with disabilities in the vocational rehabilitation program established under title I and activities carried out under other provisions of this Act.*

Evaluations shall be conducted by persons not immediately involved in the administration of the program or project evaluated.

* * * * * * *

§ 720 * * *

(a) * * *

* * * * * * *

(1) * * *

(E) enforcement of title V and of the Americans with Disabilities Act of 1990 holds the promise of ending discrimination for individuals with disabilities**[**; and**]**;

(F) the provision of *workforce development activities and* vocational rehabilitation services can enable individuals with disabilities, including individuals with the most severe disabilities, to pursue meaningful careers by securing gainful employment commensurate with their abilities and capabilities**[**.**]**; *and*

(G) linkages between the vocational rehabilitation program established under this title and other components of the statewide workforce development system are critical to ensure effective and meaningful participation by individuals with disabilities in workforce development activities.

* * * * * * *

(2) The purpose of this title is to assist States in operating [a comprehensive] *statewide comprehensive,* coordinated, effective, efficient, and accountable [program of vocational rehabilitation that is designed] *programs of vocational rehabilitation, each of which is—*

(A) an integral component of a statewide workforce development system; and

(B) designed to assess, plan, develop, and provide vocational rehabilitation services for individuals concerns, abilities, and capabilities, so that such individuals may prepare for and engage in gainful employment.

* * * * * * *

§ 721 * * *

(a) Three year plan; annual revisions; general and specific requirements. In order to be eligible to participate in programs under this title, a State shall submit to the Commissioner a State plan for vocational rehabilitation services for a 3-year period[, or shall submit the plan on such date, and at such regular intervals, as the Secretary may determine to be appropriate to coincide with the intervals at which the State submits State plans under other Federal laws, such as part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.)]. *and shall submit the State plan on the same dates as the State submits the State plan described in section 104 of the Workforce Development Act of 1995 to the Governing Board established under section 301(b) of such Act. The State shall also submit the State plan for vocational rehabilitation services for review and comment to any State workforce development board established for the State under section 105(b) of the Workforce Development Act of 1995, which shall submit the comments on the State plan to the designated State unit.* In order to be eligible to participate in programs under this title, a State, upon the request of the Commissioner, shall make such annual revisions in the plan as may be necessary. Each such plan shall—

* * * * * * *

(1) * * *

* * * * * * *

(B) provide that the State agency so designated to administer or supervise the administration of the State plan, or (if there are two State agencies designated under subparagraph (A) of this paragraph) to supervise or administer the part of the State plan that does not relate to services for individuals who are blind, shall be *(i) a State entity primarily responsible for implementing workforce employment activities through the statewide workforce development system of the State,* [(i)] *(ii) a* State agency primarily

concerned with vocational rehabilitation, or vocational and other rehabilitation, of individuals with disabilities, [(ii)] *(iii)* the State agency administering or supervising the administration of education or vocation education in the State, or [(iii)] *(iv)* a State agency which includes at least two other major organizational units each of which administers one or more of the major public education, public health, public welfare, or labor programs of the State;

(2) * * *

provide, except in the case of agencies described in paragraph [(1)(B)(i)] *(1)(B)(ii)*—

* * * * * * *

(B)(i) that such unit shall be located at an organizational level and shall have an organizational status within such State agency comparable to that of other major organizational units of such agency, or (ii) in the case of an agency described in paragraph [(1)(B)(ii)] *(1)(B)(iii)*, either that such unit shall be so located and have such status, or that the director of such unit shall be the executive officer of such State agency; except that, in the case of a State which has designated only one State agency pursuant to paragraph (1) of this subsection, such State may, if it so desires, assign responsibility for the part of the plan under which vocational rehabilitation services are provided for individuals who are blind to one organizational unit of such agency, and assign responsibility for the rest of the plan to another organizational unit of such agency, with the provisions of this paragraph applying separately to each of such units;

(3) provide a plan for expanding and improving vocational rehabilitation services for individuals with disabilities on a statewide basis, including—

(A) a statement of values and goals;

(B) evidence of ongoing efforts to use outcome measures to make decisions about the effectiveness and future direction of the vocational rehabilitation program established under this title in the State; and

(C) information on specific strategies for strengthening the program as an integral component of the statewide workforce development system established in the State, including specific innovative, state-of-the-art approaches for achieving sustained success in improving and expanding vocational rehabilitation services provided through the program, for all individuals with disabilities who seek employment, through plans, policies, and procedures to link the program with other components of the system, including plans, policies, and procedures relating to—

(i) entering into cooperative agreements, between the designated State unit and appropriate entities responsible for carrying out the other components of the system, which agreements may provide for—

(I) provision of intercomponent staff training and technical assistance regarding the availability and benefits of, and eligibility standards for, voca-

tional rehabilitation services, and regarding the provision of equal, effective, and meaningful participation by individuals with disabilities in workforce employment activities in the State through program accessibility, use of nondiscriminatory policies and procedures, and provision of reasonable accommodations, auxiliary aids and services, and rehabilitation technology, for individuals with disabilities;

(II) use of information and financial management systems that link all components of the statewide workforce development system, that link the components to other electronic networks, and that relate to such subjects as labor market information, and information on job vacancies, skill qualifications, career planning, and workforce development activities;

(III) use of customer service features such as common intake and referral procedures, customer data bases, resource information and human service hotlines;

(IV) establishment of cooperative efforts with employers to facilitate job placement and to develop and sustain working relationships with employers, trade associations, and labor organizations;

(V) identification of staff roles and responsibilities and available resources for each entity that carries out a component of the system with regard to paying for necessary services (consistent with State law); and

(VI) specification of procedures for resolving disputes among such entities; and

[(3)**]** *(4)* * * *

[(4)**]** *(5)* * * *

[(5)**]** *(6)* * * *

[(A) contain the plans, policies, and methods to be followed in carrying out the State plan and in its administration and supervision, including the results of a comprehensive, Statewide assessment of the rehabilitation needs of individuals with severe disabilities residing within the State and the State's response to the assessment, a description of the method to be used to expand and improve services to individuals with the most severe disabilities, including individuals served under part C of title VI of this Act and a description of the method to be used to utilize community rehabilitation programs to the maximum extent feasible, an explanation of the methods by which the State will provide vocational rehabilitation services to all individuals with disabilities within the State who are eligible for such services, and, in the event that vocational rehabilitation services cannot be provided to all eligible individuals with disabilities who apply for such services, (i) show and provide the justification for the order to be followed in selecting individuals to whom vocational rehabili-

tation services will be provided, and (ii) show the outcomes and service goals, and the time within which they may be achieved, for the rehabilitation of such individuals, which order of selection for the provision of vocational rehabilitation services shall be determined on the basis of serving first those individuals with the most severe disabilities in accordance with criteria established by the State, and shall be consistent with priorities in such order of selection so determined, and outcome and service goals for serving individuals with disabilities, established in regulations prescribed by the Commissioner;]

(A) contain the plans, policies, and methods to be followed in carrying out the State plan and in the administration and supervision of the plan, including—

(i)(I) the results of a comprehensive, statewide assessment of the rehabilitation needs of individuals with disabilities (including individuals with severe disabilities, individuals with disabilities who are minorities, and individuals with disabilities who have been unserved, or underserved, by the vocational rehabilitation system) who are residing within the State; and

(II) the response of the State to the assessment;

(ii) a description of the method to be used to expand and improve service to individuals with the most severe disabilities, including individuals served under part C of title VI;

(iii) with regard to community rehabilitation programs—

(I) a description of the method to be used (such as a cooperative agreement) to utilize the programs to the maximum extent feasible; and

(II) a description of the needs of the programs, including the community rehabilitation programs funded under the Act entitled "An Act to Create a Committee on Purchases of Blind-made Products, and for other purposes", approved June 25, 1938 (commonly known as the Wagner-O'Day Act; 41 U.S.C. 46 et seq.) and such programs funded by State use contracting programs; and

(iv) an explanation of the methods by which the State will provide vocational rehabilitation services to all individuals with disabilities within the State who are eligible for such services, and, in the event that vocational rehabilitation services cannot be provided to all such eligible individuals with disabilities who apply for such services, information—

(I) showing and providing the justification for the order to be followed in selecting individuals to whom vocational rehabilitation services will be provided (which order of selection for the provision of vocational rehabilitation services shall be determined on the basis of serving first the individuals with the most severe disabilities in accordance with criteria established by the State, and shall be

consistent with priorities in such order of selection so determined, and outcome and service goals for serving individuals with disabilities, established in regulations prescribed by the Commissioner);

(II) showing the outcomes and service goals, and the time within which the outcomes and service goals may be achieved, for the rehabilitation of individuals receiving such services; and

(III) describing how individuals with disabilities who will not receive such services if such order is in effect will be referred to other components of the statewide workforce development system for access to services offered by the components;

* * * * * * *

[(C) describe

[(i) how a broad range of rehabilitation technology services will be provided at each stage of the rehabilitation process;

[(ii) how a broad range of such rehabilitation technology services will be provided on a statewide basis; and

[(iii) the training that will be provided to vocational rehabilitation counselors, client assistance personnel, and other related services personnel;]

(C) with regard to the statewide assessment of rehabilitation needs described in subparagraph (A)(i)—

(i) provide that the State agency will make reports at such time, in such manner, and containing such information, as the Commissioner may require to carry out the functions of the Commissioner under this title, and comply with such provisions as are necessary to assure the correctness and verification of such reports; and

(ii) provide that reports made clause (i) will include information regarding individuals with disabilities and, if an order of selection described in subparagraph (A)(iv)(I) is in effect in the State, will separately include information regarding individuals with the most severe disabilities, on—

(I) the number of such individuals who are evaluated and the number rehabilitated;

(II) the costs of administration, counseling, provision of direct services, development of community rehabilitation programs, and other functions carried out under this Act; and

(III) the utilization by such individuals of other programs pursuant to paragraph (11); and

(D) describe—

(i) how a broad range of rehabilitation technology services will be provided at each stage of the rehabilitation process;

(ii) how a broad range of such rehabilitation technology services will be provided on a statewide basis; and

(iii) the training that will be provided to vocational rehabilitation counselors, client assistance personnel, personnel of the one-stop career system authorized under section 113(a)(2) of the Workforce Development Act of 1995, and other related services personnel;

[(6)] *(7)* * * *

[(7)] *(8)* * * *

(A) * * *

* * * * * * *

(i) * * *

* * * * * * *

(II) the number and type of personnel needed by the State, and a projection of the numbers of such personnel that will be needed in 5 years, [based on projections of the number of individuals to be served, the number of such personnel who are expected to retire or leave the field, and other relevant factors];

* * * * * * *

[(iii) a description of the development and maintenance of a system of determining, on an annual basis, information on the institutions of higher education within the State that are preparing rehabilitation professionals, including—

[(I) the numbers of students enrolled in such programs; and

[(II) the number who graduated with certification or licensure, or with credentials to qualify for certification or licensure, during the past year;

[(iv) a description of the development, updating, and implementation of a plan that—]

(iii) a description of the ways in which the system for evaluating the performance of rehabilitation counselors, coordinator, and other personnel used in the State facilitates the accomplishment of the purpose and policy of this title, including the policy of serving, among others, individuals with the most severe disabilities;

(iv) provide satisfactory assurances that the system in no way impedes such accomplishment; and

* * * * * * *

[(8)] *(9)* Consideration of eligibility for similar benefits under any other program. Provide, at a minimum, for the provision of the vocational rehabilitation services specified in paragraphs (1) through (3) and paragraph (12) of section 103(a), and for the provision of such other services as are specified under such section after a determination that comparable services and benefits are not available under any other program, except that such a determination shall not be [required—

(A) if the determination would delay the provision of such services to any individual at extreme medical risk; or

(B) prior] *required prior* to the provision of such services if an immediate job placement would be lost due to a delay in the provision of such comparable benefits;

[(9)] *(10)* * * *

(A) * * *

(B) an individualized [written rehabilitation program] *employment plan* meeting the requirements of section 102 will be developed for each individual with a disability eligible for vocational rehabilitation services under this Act;

(C) such services will be provided under [the plan in accordance with such program] *State plan in accordance with the employment plan;* and

[(10) Reports of State agency; form, scope of information; time of report; correctness and verification.

[(A) provide that the State agency will make such reports in such form, containing such information (including the data described in subparagraph (D) of paragraph (9) of this subsection, periodic estimates of the population of individuals with disabilities eligible for services under this Act in such State, specifications of the number of such individuals who will be served with funds provided under this Act and the outcomes and service goals to be achieved for such individuals in each priority category specified in accordance with paragraph (5) of this subsection, and the service costs for each such category), and at such time as the Commissioner may require to carry out the functions of the Commissioner under this title, and comply with such provisions as are necessary to assure the correctness and verification of such reports; and

[(B) provide that reports under subparagraph (A) will include information on—

[(i) the number of such individuals who are evaluated and the number rehabilitated;

[(ii) the costs of administration, counseling, provision of direct services, development of community rehabilitation programs, and other functions carried out under this Act; and

[(iii) the utilization by such individuals of other programs pursuant to paragraph (11);]

(11) Intergovernmental cooperation.

(A) provide for interagency cooperation with, and the utilization of the services and facilities of, the State agencies administering the [State's public assistance programs, other programs for individuals with disabilities, veterans programs, community mental health programs, manpower programs, and public employment offices, and the Social Security Administration of the Department of Health and Human Services, the Department of Veterans Affairs, and other Federal, State, and local public agencies providing services related to the rehabilitation of individuals with disabilities (specifically including arrangements for the coordination of services to individuals eligible for services under this Act, the Individuals with Disabilities Education Act, the Carl D. Perkins Vocational and Applied Tech-

nology Education Act, and the Act entitled "An Act to create a Committee on Purchases of Blind-made Products, and for other purposes", approved June 25, 1938] *State programs that are not part of the statewide workforce development system of the State;*

* * * * * * *

(C) in providing for interagency cooperation under subparagraph (A), provide for such cooperation by means including, [if appropriate—

(i) establishing interagency working groups; and

(ii) entering into] if *appropriate, entering into* formal interagency cooperative agreements that—

[(I)] *(i)* identify policies, practices, and procedures that can be coordinated among the agencies (particularly definitions, standards for eligibility, the joint sharing and use of evaluations and assessments, and procedures for making referrals);

[(II)] *(ii)* identify available resources and define the financial responsibility of each agency for paying for necessary services (consistent with State law) and procedures for resolving disputes between agencies; and

[(III)] *(iii)* include all additional components necessary to ensure meaningful cooperation and coordination;

[(12) Community resources; utilization; agreement for services provided by rehabilitation facilities.

[(A) provide satisfactory assurances to the Commissioner that, in the provision of vocational rehabilitation services, maximum utilization shall be made of public or other vocational or technical training programs or other appropriate resources in the community; and

[(B) provide (as appropriate) for entering into agreements with the operators of community rehabilitation programs for the provision of services for the rehabilitation of individuals with disabilities;]

[(13) Disabled Federal employees; disabled public safety officers.

[(A) provide that vocational rehabilitation services provided under the State plan shall be available to any civil employee of the United States who is disabled while in the performance of the employee's duty on the same terms and conditions as apply to other persons, and

[(B) provide that special consideration will be given to the rehabilitation under this Act of an individual with a disability whose disability was sustained in the line of duty while such individual was performing as a public safety officer if the proximate cause of such disability was a criminal act, apparent criminal act, or a hazardous condition resulting directly from the officer's performance of duties in direct connection with the enforcement, execution, and administration of law or fire prevention, firefighting, or related public safety activities;]

[(14)] *(12)* * * *

[(15) Continuing studies. Provide for continuing statewide studies of the needs of individuals with disabilities and how these needs may be most effectively met, including—

[(A) a full needs assessment for serving individuals with severe disabilities;

[(B) an assessment of the capacity and effectiveness of community rehabilitation programs, plans for improving such programs, and policies for the use thereof by the State agency;

[(C) review of the efficacy of the criteria employed with respect to ineligibility determinations described in paragraph (9)(C) of this subsection with a view toward the relative need for services to significant segments of the population of individuals with disabilities and the need for expansion of services to those individuals with the most severe disabilities; and

[(D) outreach procedures to identify and serve individuals with disabilities who are minorities and individuals with disabilities who have been unserved or

[(16) *(13)* * * *

[(17) State facilities, construction; Federal share of construction costs; general grant and contract requirements applicable; nonreduction of other rehabilitation services provide that if, under special circumstances, the State plan includes provisions for the construction of facilities for community rehabilitation programs—

[(A) the Federal share of the cost of construction thereof for a fiscal year will not exceed an amount equal to 10 per centum of the State's allotment for such year,

[(B) the provisions of section 306 shall be applicable to such construction and such provisions shall be deemed to apply to such construction, and

[(C) there shall be compliance with regulations the Commissioner shall prescribe designed to assure that no State will reduce its efforts in providing other vocational rehabilitation services (other than for the establishment of facilities for community rehabilitation programs) because its plan includes such provisions for construction; underserved by the vocational rehabilitation system;]

[(18)] *(14)(A)* Policy planning; trainee participation.

provide satisfactory assurances to the Commissioner that the State agency designated pursuant to paragraph (1) (or each State agency if two are so designated) and any sole local agency administering the plan in a political subdivision of the State will take into account, in connection with matters of general policy arising in the administration of the plan, the views of individuals and groups thereof who are recipients of vocational rehabilitation services (or, in appropriate cases, their parents or guardians), personnel working in the field of vocational rehabilitation, providers of vocational rehabilitation services, and the Director of the client assistance program under section 112 *and, in the case of the designated State unit, will take actions to take such views into account that include providing timely notice, holding public hearings, preparing a summary of hear-*

ing comments, and documenting and disseminating information relating to the manner in which the comments will affect services; and;

[(19) Amendments; continuing studies and annual evaluation as basis, provide satisfactory assurances to the Commissioner that the continuing studies required under paragraph (15) of this subsection, as well as an annual evaluation of the effectiveness of the program in meeting the goals and priorities set forth in the plan, will form the basis for the submission, from time to time as the Commissioner may require, of appropriate amendments to the plan, and for developing and updating the strategic plan required under part C.]

[(20)] *(B)* * * *

[(21)] *(15)* * * *

[(22)] *(16)* Information and referral programs.

provide for the establishment and maintenance of information and referral programs (the staff of which shall include, to the maximum extent feasible, interpreters for individuals who are deaf) in sufficient numbers to assure that individuals with disabilities within the State are afforded accurate vocational rehabilitation information and appropriate [referrals to other Federal and State programs] *referrals within the statewide workforce development system of the State to programs* and activities which would benefit them;

[(23) Public meetings; notice and comment; response.

[(A) provide satisfactory assurances that in the formulation of policies governing the provision of the rehabilitation services consistent with the State plan, and any revisions, that the State agency conducts public meetings throughout the State, after appropriate and sufficient notice, to allow interested groups and organizations and all segments of the public an opportunity to comment on the State plan before development of the plan by the State, (B) include a summary of such comments and the State agency's response to such comments, and (C) provide satisfactory assurances that the State agency will consult with the Director of the client assistance program under section 112 in the formulation of policies governing the provision of vocational rehabilitation services consistent with the State plan and other revisions;]

[(24)] *(17)* * * *

* * * * * * *

(B) facilitate the transition from the provision of a free appropriate public education under the responsibility of an educational agency to the provision of vocational rehabilitation services under the responsibility of the designated State unit, including the specification of plans for coordination with educational agencies in the provision of transition services authorized under section 103(a)(14) to an individual, consistent with the individualized [written rehabilitation program] *employment plan* of the individual; and

(C) provide that such plans, policies, and procedures will address—

(i) provisions for determining State lead agencies and qualified personnel responsible for transition services;

(ii) procedures for outreach to and identification of youth in need of such services [and]*;*

(iii) a timeframe for evaluation and followup of youth who have received such services[;]*; and*

(iv) the manner in which students who are individuals with disabilities and who are not in special education programs can access and receive vocational rehabilitation services, where appropriate;

[(25]*(18)* * * *

[(26)]*(19)* * * *

[(27) Cooperative agreements with private nonprofit vocational rehabilitation service providers, describe the manner in which cooperative agreements with private nonprofit vocational rehabilitation service providers will be established;

[(28) Community rehabilitation programs under the Wagner-O'Day Act. identify the needs and utilization of community rehabilitation programs under the Act commonly known as the Wagner-O'Day Act;

[(29)]*(20)* * * *

[(30) Access to vocational rehabilitation services for students not in special education programs, describe the manner in which students who are individuals with disabilities and who are not in special education programs can access and receive vocational rehabilitation services, where appropriate;

[(31)]*(21)* * * *

[(32)]*(22)* * * *

[(33)]*(23)* * * *

[(34) Expansion and improvement of vocational rehabilitation services in accordance with part C provide satisfactory assurances to the Commissioner that the State—

(A) has developed and implemented a strategic plan for expanding and improving vocational rehabilitation services for individuals with disabilities on a statewide basis in accordance with part C of this title and

(B) will use at least 1.5 percent of the allotment of the State under section]

[(35) Furtherance of purpose and policy of title through performance evaluation.

(A) describe how the system for evaluating the performance of rehabilitation counselors, coordinators, and other personnel used in the State facilitates the accomplishment of the purpose and policy of this title including the policy of serving, among others, individuals with the most severe disabilities; and

(B) provide satisfactory assurances that the system in no way impedes such accomplishment; and]

[(36)]*(24)* * * *

* * * * * * *

[§ 102. Individualized written rehabilitation program] ***§ 102. Individualized employment plans.***

(a) * * *

* * * * * * *

(6) The designated State unit shall ensure that a determination of ineligibility made with respect to an individual prior to the initiation of an individualized [written rehabilitation program] *employment plan*, based on the review, and to the extent necessary, the preliminary assessment, shall include specification of—

* * * * * * *

(b) * * *

(1)(A) * * *

(i) an individualized [written rehabilitation program] *employment plan* is jointly developed, agreed upon, and signed by—

* * * * * * *

(ii) such [program] *plan* meets the requirements set forth in subparagraph (B).

* * * * * * *

(B) Each individualized [written rehabilitation program] *employment plan* shall—

* * * * * * *

(iv) [(l) include a statement of the specific vocational rehabilitation services to be provided, and the projected dates for the initiation and the anticipated duration of each such service] *(I) include a statement of the specific vocational rehabilitation services to be provided (including, if appropriate, rehabilitation technology services and training in how to use such services) that includes specification of the public or private entity that will provide each such vocational rehabilitation service and the projected dates for the initiation and the anticipated duration of each such service; and;*

[(II) if appropriate, include a statement of the specific rehabilitation technology services to be provided to assist in the implementation of intermediate rehabilitation objectives and long-term rehabilitation goals for the individual; and]

[(III)] *(II)* if appropriate, include a statement of the specific on-the-job and related personal assistance services to be provided to the individual, and, if appropriate and desired by the individual, the training in managing, supervising, and directing personal assistance services to be provided to the individual;

* * * * * * *

(xi) * * *

(I) the reasons that an individual for whom a [program] *plan* has been prepared is no longer eligible for vocational rehabilitation services; and

* * * * * * *

(1)(C) The designated State unit shall furnish a copy of the individualized [written rehabilitation program and amendments to the program] *employment plan and amendments to the plan* to the individual with a disability or, in an appropriate case, a parent, a family member, a guardian, an advocate, or an authorized representative, of the individual.

* * * * * * *

(2) Each individual [written rehabilitation program] *employment plan* shall be reviewed annually, at which time such individual (or, in appropriate cases, the parents or guardian of the individual) will be afforded an opportunity to review such [program] *plan* and jointly redevelop and agree to its terms. Any revisions or amendments to the [program] *plan* resulting from such review shall be incorporated into or affixed to such [program] *plan*. Such revisions or amendments shall not take effect until agreed to and signed by the individual with a disability, or, if appropriate, by a parent, a family member, a guardian, an advocate, or an authorized representative, of such individual. Each individualized [written rehabilitation program] *employment plan* shall be revised as needed.

* * * * * * *

(c) * * *

The Director of the designated State unit shall also ensure that (1) in making any determination of ineligibility referred to in subsection (a) of this section, or in developing and carrying out the individualized [written rehabilitation program] *employment plan* required by section 101 in the case of each individual with a disability, emphasis is placed upon the determination and achievement of a vocational goal for such individual, (2) a decision that such an individual is not capable of achieving such a goal and thus is not eligible for vocational rehabilitation services provided with assistance under this part, is made only in full consultation with such individual (or, in appropriate cases, such individual's parents or guardians), and only upon the certification, as an amendment to such written [program] *plan*, or as a part of the specification of reasons for an ineligibility determination, as appropriate, that the preliminary diagnosis or assessment for determining eligibility and vocational rehabilitation needs described in subparagraphs (B) and (C) of section 7(22), as appropriate, has demonstrated that such individual is not then capable of achieving such a goal, and (3) any such decision, as an amendment to such written [program] *plan*, shall be reviewed at least annually in accordance with the procedure and criteria established in this section.

* * * * * * *

(d) * * *

(5) Unless the individual with a disability so requests, or, in an appropriate case, a parent, a family member, guardian, an advocate, or an authorized representative, of such individual so

requests, pending a final determination of such hearing or other final resolution under this subsection, the designated State unit shall not institute a suspension, reduction, or termination of services being provided under the individualized [written rehabilitation program] *employment plan,* unless such services have been obtained through misrepresentation, fraud, collusion, or criminal conduct on the part of the individual with a disability.

(6)(A) The Director shall collect data described in subparagraph (B) and prepare and submit to the Commissioner a report containing such data. [For the report submitted on or before February 1, 1988, the Commissioner shall prepare a summary of the information furnished under this paragraph and include the summary in the annual report submitted under section 13.]

* * * * * * *

§ 723 * * *

(a) * * *

* * * * * * *

(4) physical and mental restoration services, including, but not limited to, (A) corrective surgery or therapeutic treatment necessary to correct or substantially modify a physical or mental condition which is stable or slowly progressive and constitutes a substantial impediment to employment, of such nature that such correction or modication may reasonably be expected to eliminate or reduce such impediment to employment within a reasonable length of time, (B) necessary hospitalization in connection with [surgery or] *treatment,* (C) prosthetic and orthotic devices, (D) eyeglasses and visual services as prescribed by qualified personnel, under State licensure laws, that are selected by the individual[,] *and* [(E) special services (including transplantation and dialysis), artificial kidneys, and supplies for the treatment of individuals with end-stage renal disease, and] [(F)] *(E)* diagnosis and treatment for mental and emotional disorders by qualified personnel under State licensure laws;

* * * * * * *

(b) * * *

* * * * * * *

(1) In the case of any type of small business operated by individuals with [the most severe] disabilities the operation of which can be improved by management services and supervision provided by the State agency, the provision of such services and supervision, along or together with the acquisition by the State agency of vending facilities or other equipment and initial stocks and supplies.

* * * * * * *

§ 725 * * *

* * * * * * *

(b) * * *

(1) * * *

(A) * * *

(iv) at least one vocational rehabilitation counselor, with knowledge of and experience with vocational rehabilitation programs, who shall serve as an ex officio, nonvoting member of the Council if the counselor is an employee of the designated State agency *who, to the extent feasible, are members of any State workforce development board established for the State under section 105(b) of the Workforce Development Act of 1995;*

* * * * * * *

(c) * * *

* * * * * * *

(2) * * *

(3) advise the designated State agency and the designated State unit regarding strategies for ensuring that the vocational rehabilitation program established under this title becomes an integral part of he statewide workforce development system of the State;

[(3)**]**(*4*) to the extent feasible, conduct a review and analysis of the effectiveness of, and consumer satisfaction with—

(A) the function performed by State agencies and other public and private entities responsible for performing functions for individuals with disabilities; and

(B) vocational rehabilitation services—

(i) provided, or paid for from funds made available, under this Act or through other public or private sources; and

(ii) provided by State agencies and other public and private entities responsible for providing vocational rehabilitation services to individuals with disabilities;

[(4)**]**(*5*) prepare and submit an annual report to the Governor or appropriate State entity and the Commissioner on the status of vocational rehabilitation programs operated within the State, and make the report available to the public;

[(5)**]**(*6*) coordinate with other councils within the State, including the Statewide Independent Living Council established under section 705, the advisory panel established under section 613(a)(12) of the Individuals with Disabilities Education Act (20 U.S.C. 1413(a)(12)), the State Planning Council described in section 124 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. **[**6024), and**]** *6024*, the State mental health planning council established under section 1916(e) of the Public Health Service Act (42 U.S.C. 300x–4(e))**[**;**]**, *and any State workforce development board established for the State under section 105(b) of the Workforce Development Act of 1995;*

[(6)**]**(*7*) advise the State agency designated under section 101(a)(1) and provide for coordination and the establishment of working relationships between the State agency and the Statewide Independent Living Council and centers for independent living within the State; and

[(7)](*8*) perform such other functions, consistent with the purpose of this title, as the State Rehabilitation Advisory Council determines to be appropriate, that are comparable to the other functions performed by the Council.

* * * * * * *

§ 726 * * *

(a) * * *

(1) IN GENERAL.—The Commissioner shall, not later than September 30, [1994] *1996*, establish and publish evaluation standards and performance indicators for the vocational rehabilitation program under this title [.] *that shall, to the maximum extent appropriate, be consistent with the State benchmarks established under paragraphs (1) and (2) of section 114(c) of the Workforce Development Act of 1995. For purposes of this section, the Commissioner may modify or supplement such benchmarks, after consultation with the Governing Board established under section 301(b) of the Workforce Development Act of 1995, to the extent necessary to address unique considerations applicable to the participation of individuals with disabilities in the vocational rehabilitation program.*

* * * * * * *

TITLE I

* * * * * * *

§ 720 * * *

* * * * * * *

[(C) individuals with disabilities, including individuals with the most severe disabilities, have demonstrated their ability to achieve gainful employment in integrated settings if appropriate services and supports are provided;]

[(D)](*C*) reasons for the significant number of individuals with disabilities not working, or working at a level not commensurate with their abilities and capabilities, include—

(i) discrimination;

(ii) lack of accessible and available transportation;

(iii) fear of losing health coverage under the medicare and medicaid programs under titles XVIII and XIX of the Social Security Act (42 U.S.C. 1395 et seq. and 1396 et seq.) or fear of losing existing private health insurance; and

(iv) lack of education, training, and supports to meet job qualification standards necessary to enter or retain or advance in employment;

[(E)](*D*) enforcement of title V and of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) holds the promise of ending discrimination for individuals with disabilities; and

* * * * * * *

TITLE 8—UNITED STATES CODE

IMMIGRATION REFORM AND CONTROL ACT OF 1986

* * * * * * *

[§ 1255a. note

[State legalization impact-assistance grants.

[§ 204 of Public Law 99–608, Oct. 25, 1994, P.L. 103–416, Title II, SEC, 219(cc), 108 Stat. 4319 (effective as if included in the enactment of Act Nov. 29, 1990, as provided by SEC. 219(dd) of the 1994 Act, which appears as 8 USCS SEC. 1101 note), provides:

[''(a) APPROPRIATION OF FUNDS.(1) In general. (A) Out of any money in the Treasury not otherwise appropriated, there are appropriated to carry out this section (and including Federal, State, and local administrative costs) $1,000,000,000 (less the amount described in paragraph (2)) for fiscal year 1988 and for each of the three succeeding fiscal years.

[''(b) Funds appropriated for fiscal year 1990 under this section are reduced by $555,244,000, and funds appropriated for fiscal year 1991 under this section are reduced by $566,854,000.

[''(c) For fiscal years 1993 and 1994 combined, there are appropriated to carry out this section for costs incurred on or after October 1, 1989 (including Federal, State, and local administrative costs) out of any money in the Treasury not otherwise appropriated, $2,000,000,000 (less the amount described in paragraph (2) for each of fiscal years 1990 and 1991) less the amount made available for allotments to States under subsection (b) for fiscal year 1990 and fiscal year 1991: Provided, That $812,000,000 shall be available in fiscal year 1994 and the remainder of these funds shall be available in fiscal year 1993.

[''(2) OFFSET. (A) IN GENERAL. Subject to subparagraphs (B) through (D), the amount described in this paragraph for a fiscal year is equal to the amount estimated to be expended by the Federal Government in the fiscal year for the programs of financial assistance, medical assistance, and assistance under the Food Stamp Act of 1977 for aliens who would not be eligible for such assistance under paragraph (1)(A) of section 245A(h) of the Immigration and Nationality Act but for the provisions of paragraph (2) or paragraph (3) of such section.

[''(B) No offset for certain SSI eligible individuals. The amount described in this paragraph shall not include any amounts attributable to supplemental security benefits paid under title XVI of the Social Security Act or medical assistance furnished under a State plan approved under title XIX of the Social Security Act, in the case of an alien who is determined by the Secretary of Health and Human Services, based on an application for benefits under title XVI of the Social Security Act or section 212 of Public Law 93–66 filed prior to the date designated by the Attorney General in accordance with section 245A(a)(1)(A) of the Immigration and Nationality Act (subsec. (a)(1)(A) of this section), to be permanently residing in the United States under color of law as provided in section

1614(a)(1)(B)(ii) of the Social Security Act and to be eligible to receive such benefits for the month prior to the month in which such date occurs, for such time as such alien continues without interruption to be eligible to receive such benefits in accordance with the provisions of title XVI of the Social Security Act or section 212 of Public Law 93–66, as appropriate.

[“(C) Estimated initial offset. For purposes of subparagraph (A), with respect to fiscal year 1988, the amount estimated to be expended shall be such estimate as is contained in the annual fiscal budget submitted for that year to the Congress by the President.

[“(D) Adjustment for estimates. If the actual amount of expenditures by the Federal Government described in subparagraph (A) for a fiscal year exceeds, or is less than, the amount estimated to be expended for that year under subparagraph (C) (taking into account any adjustment under this subparagraph), then for the subsequent fiscal year the amount described in this paragraph shall be decreased, or increased, respectively, by the amount of such excess or deficit for that previous fiscal year.

[“(b) Entitlement of States. (1) From the sums appropriated under subsection (a) for a fiscal year (less the amount reserved for Federal administrative costs), the Secretary of Health and Human Services (in this section referred to as the ‘Secretary’) shall allot to each State with an application approved under subsection (d)(1) an amount determined in accordance with a formula, established by the Secretary by regulation, which takes into account—

[“(A) the number of eligible legalized aliens (as defined in subsection (j)(4)) residing in the State in that fiscal year;

[“(B) the ratio of the number of eligible legalized aliens in the State to the total number of residents of that State and to the total number of such aliens in all the States in that fiscal year;

[“(C) the amount of expenditures the State is likely to incur in that fiscal year in providing assistance for eligible legalized aliens for which reimbursement or payment may be made under this section;

[“(D) the ratio of the amount of such expenditures in the State to the total of all such expenditures in all the States;

“(E) adjustments for the difference in previous years between the State’s actual expenditures (described in subparagraph (C)) incurred and the allocation provided the State under this section for those years; and

[“(F) such other factors as the Secretary deems appropriate to provide for an equitable distribution of such amounts.

[“(2) To the extent that all the funds appropriated under this section for a fiscal year are not otherwise allotted to States either because all the States have not qualified for such allotments under this section for the fiscal year or because some States have indicated in their description of activities that they do not intend to use, in that fiscal year or any succeeding fiscal year (before year 1995) year, the full amount of such allotments, such excess shall be allotted among the remaining States in proportion to the amount otherwise allotted to such States for the fiscal year without regard to this paragraph.

[“(3) In determining the number of eligible legalized aliens for purposes of paragraph (1), the Secretary may estimate such number on the basis of such data as he may deem appropriate.

[“(4) For each fiscal year the Secretary shall make payments, as provided by section 6503 of title 31, United States Code, to each State from its allotment under this subsection. Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available after September 30, 1994. Any funds not expended by States by December 30, 1994 shall be reallocated by the Secretary to States which had expended their entire allotments, based on each State's percentage share of total unreimbursed legalized alien costs in all States. Funds made available to a State pursuant to the preceding sentence of this paragraph shall be utilized by the State to reimburse all allowable costs within 90 days after a State has received a reallocation of funds from the Secretary, but in no event later than July 31, 1995.

[“(5) For fiscal year 1993, the Secretary shall make allotments to States under paragraph (1) no later than October 15, 1992, Provided, That with respect to States in which total allowable unreimbursed State and local costs incurred prior to October 1, 1992 exceed $100,000,000, within each such State's allocation, the State shall first reimburse all allowable costs incurred between October 1, 1990 and October 1, 1992, before reimbursing costs incurred on or after October 1, 1992, except for State and local administrative costs and for costs of services required to enable aliens granted temporary residence under section 245A(a) of the Immigration and Nationality Act to attain citizenship skills described in section 245A(b)(1)(D)(i) of the Immigration and Nationality Act: Provided further, That in reimbursing costs incurred prior to October 1, 1992, each State shall reimburse each provider at the same pro rata rate.

[“(c) Providing assistance. (1) Of the amounts allotted to a State under this section, the State may only use such funds, in accordance with this section—

[“(A) for reimbursement of the costs of programs of public assistance provided with respect to eligible legalized aliens, for which such aliens were not disqualified under section 245A(h) of the Immigration and Nationality Act at the time of such assistance,

[“(B) for reimbursement of the costs of programs of public health assistance provided to any alien who is, or is applying on a timely basis to become, an eligible legalized alien,

[“(C) to make payments to State educational agencies for the purpose of assisting local educational agencies of that State in providing educational services for eligible legalized aliens,

[“(D) to make payments for public education and outreach (including the provision of information to individual applicants) to inform temporary resident aliens regarding—

[“(i) the requirements of sections 210, 210A, and 245A of the Immigration and Nationality Act regarding the adjustment of resident status,

[“(ii) sources of assistance for such aliens obtaining the adjustment of status described in clause (i), including educational, informational, referral services, and the rights

and responsibilities of such aliens and aliens lawfully admitted for permanent residence,

[“(iii) the identification of health, employment, and social services, and

[“(iv) the importance of identifying oneself as a temporary resident alien to service providers,

[except that nothing in this subparagraph may be construed as authorizing the provision of client counseling or any other service which would assume responsibility for the alien's application for the adjustment of status described in clause (i),

[“(E)(i) subject to clause (ii), to make payments for education and outreach efforts by State agencies regarding unfair discrimination in employment practices based on national origin or citizenship status,

[“(ii) except that the State agencies shall not initiate such efforts until after such consultation with the Office of the Special Counsel for Unfair Immigration-Related Employment Practices as is appropriate to ensure, to the maximum extent feasible, a uniform program. Subject to paragraph (2), the State may select the distribution of the use of such funds among such purposes.

[“(2)(A) Subject to subparagraphs (B) and (C), of the amounts allotted to a State under this section in any fiscal year, 10 percent shall be used by the State for reimbursement under paragraph (1)(A), 10 percent shall be used by the State for reimbursement under paragraph (1)(B), and 10 percent shall be used by the State for payments under paragraph (1)(C).

[“(B) If a State does not require the use of the full 10 percent provided under subparagraph (A) for a particular function described in a subparagraph of paragraph (2) for a fiscal year, the unused portion shall, subject to subparagraph (C), be equally distributed among the two other subparagraphs.

[“(C) In no case shall the funds provided under this section be used to provide reimbursement for more than 100 percent of the costs described in paragraph (1)(A) or (1)(B).

[“(D) Of the amount allotted to a State with respect to any fiscal year, a State may not use more than—

[“(i) 1 percent (or, if greater, $100,000) for payments under paragraph (1)(D), and

[“(ii) 1 percent (or, if greater, $100,000) for payments under paragraph (1)(E).

[“(3) To the extent that a State provides for the use of funds for the purpose described in paragraph (1)(C), the definitions and provisions of the Emergency Immigrant Education Act of 1984 (title VI of Public Law 98–511; 20 U.S.C. 4101 et seq.) shall apply to payments under such paragraph in the same manner as they apply to payments under that Act, except that, in applying this paragraph—

[“(A) any reference in such Act to ‘immigrant children’ shall be deemed to be a reference to ‘eligible legalized aliens’ (including such aliens who are over 16 years of age) during the 60-month period beginning with the first month in which such an alien is granted temporary lawful residence under the Immi-

gration and Nationality Act 8 USCS et seq. generally; for full classification, consult USCS Tables volumes;

[“(B) in determining the amount of payment with respect to eligible legalized aliens who are over 16 years of age, the phrase ‘described under paragraph (2)’ shall be deemed to be stricken from section 606(b)(1)(A) of such Act (20 U.S.C. 4105(b)(1)(A));

[“(C) the State educational agency may provide such educational services to adult eligible legalized aliens through local educational agencies and other public and private nonprofit organizations, including community-based organizations of demonstrated effectiveness; and

[“(D) such service may include English language and other programs designed to enable such aliens to attain the citizenship skills described in section 245A(b)(1)(D)(i) of the Immigration and Nationality Act (subsec. (b)(1)(D)(i) of this section).

[“(d) Statements and assurances. (1) No State is eligible for payment under subsection (b) unless the State—

[“(A) has filed with, and had approved by, the Secretary an application containing such information, including the information described in paragraph (2) and criteria for and administrative methods of disbursing funds received under this section, as the Secretary determines to be necessary to carry out this section, and

[“(B) transmits to the Secretary a statement of assurances that certifies that (i) funds allotted to the State under this section will only be used to carry out the purposes described in subsection (c)(1), (ii) the State will provide a fair method (as determined by the State) for the allocation of funds among State and local agencies in accordance with paragraph (2) and subsection (c)(2), and (iii) fiscal control and fund accounting procedures will be established that are adequate to meet the requirements of paragraph (2) and subsections (e) and (f).

[“(2) The application of each State under this subsection for each fiscal year must include detailed information on—

[“(A) the number of eligible legalized aliens residing in the State, and

[“(B) the costs (excluding any such costs otherwise paid from Federal funds) which the State and each locality is likely to incur for the purposes described in subsection (c)(1).

[“(e) Reports and audits. (1)(A) Each State shall prepare and submit to the Secretary annual reports on its activities under this section. In order to properly evaluate and to compare the performance of different States assisted under this section and to assure the proper expenditure of funds under this section, such reports shall be in such form and contain such information as the Secretary determines (after consultation with the States and the Comptroller General) to be necessary—

[“(i) to secure an accurate description of those activities,

[“(ii) to secure a complete record of the purposes for which funds were spent and of the recipients of such funds, and

[“(iii) to determine the extent to which funds were expended consistent with this section. Copies of the report shall be provided, upon request, to any interested public agency, and each

such agency may provide its views on these reports to the Congress.

[“(B) The Secretary shall annually report to the Congress on activities funded under this section and shall provide for transmittal of a copy of such report to each State.

[“(2)(A) For requirements relating to audits of funds received by a State under this section, see chapter 75 of title 31, United States Code (relating to requirements for single audit).

[“(B) Each State shall repay to the United States amounts ultimately found not to have been expended in accordance with this section, or the Secretary may offset such amounts against any other amount to which the State is or may become entitled under this section.

[“(C) The Secretary may, after notice and opportunity for a hearing, withhold payment of funds to any State which is not using its allotment under this section in accordance with this section. The Secretary may withhold such funds until the Secretary finds that the reason for the withholding has been removed and there is reasonable assurance that it will not recur.

[“(3) The State shall make copies of the reports and audits required by this subsection available for public inspection within the State.

[“(4)(A) For the purpose of evaluating and reviewing the assistance provided under this section, the Secretary and the Comptroller General shall have access to any books, accounts, records, correspondence, or other documents that are related to such assistance, and that are in the possession, custody, or control of States, political subdivisions thereof, or any of their grantees.

[“(B) In conjunction with an evaluation or review under subparagraph (A), no State or political subdivision thereof (or grantee of either) shall be required to create or prepare new records to comply with subparagraph (A).

[“(f) Limitation on payments. (1) Payments under this section shall not be made for costs to the extent the costs are otherwise reimbursed or paid for under other Federal programs.

[“(2) Payment may only be made to a State with respect to costs for assistance of a program of public assistance or a program of public health assistance to the extent such assistance is otherwise generally available under such programs to citizens residing in the State.

[“(g) Criminal penalties for false statements. Whoever—

[“(1) knowingly and willfully makes or causes to be made any false statement or misrepresentation of a material fact in connection with the furnishing of assistance or services for which payment may be made by a State from funds allotted to the State under this section, or

[“(2) having knowledge of the occurrence of any event affecting his initial or continued right to any such payment conceals or fails to disclose such event with an intent fraudulently to secure such payment either in a greater amount than is due or when no such payment is authorized, shall be fined in accordance with title 18, United States Code, imprisoned for not more than five years, or both.

[“(h) Anti-discrimination provision. (1)(A) For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under title IX of the Education Amendments of 1972, or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, programs and activities funded in whole or in part with funds made available under this section are considered to be programs and activities receiving Federal financial assistance.

[“(B) No person shall on the ground of sex or religion be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this section.

[“(2) Whenever the Secretary finds that a State or locality which has been provided payment from an allotment under this section has failed to comply with a provision of law referred to in paragraph (1)(A), with paragraph (1)(B), or with an applicable regulation (including one prescribed to carry out paragraph (1)(B)), he shall notify the chief executive officer of State and shall request him to secure compliance. If within a reasonable period of time, not to exceed 60 days, chief executive officer fails or refuses to secure compliance, the Secretary may—

[“(A) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted,

[“(B) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable, or

[“(C) take such other action as may be provided by law.

[“(3) When a matter is referred to the Attorney General pursuant to paragraph (2)(A), or whenever he has reason to believe that the entity is engaged in a pattern or practice in violation of a provision of law referred to in paragraph (1)(A) or in violation of paragraph (1)(B), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

[“(i) Consultation with State and local officials. In establishing regulations guidelines to carry out this section, the Secretary shall consult with representatives of State and local governments.

[“(j) Definitions. For purposes of this section:

[“(1) The term ‘State’ has the meaning given such term in section 101(a)(36) of the Immigration and Nationality Act.

[“(2) The term ‘programs of public assistance’ means programs in a State or local jurisdiction which—

[“(A) provide for cash, medical, or other assistance (as defined by the Secretary) designed to meet the basic subsistence or health needs of individuals,

[“(B) are generally available to needy individuals residing in the State or locality, and

[“(C) receive funding from units of State or local government.

[“(3) The term ‘programs of public health assistance’ means programs in a State or local jurisdiction which—

[“(A) provide public health services, including immunizations for immunizable diseases, testing and treatment for tuberculosis and sexually-transmitted diseases, and family planning services,

[“(B) are generally available to needy individuals residing in the State or locality, and

[“(C) receive funding from units of State or local government.

[“(4) The term ‘eligible legalized alien’ means an alien who has been granted lawful temporary resident status under section 210, 210A, or 245A of the Immigration and Nationality Act, but only until the end of the five-year period beginning on the date the alien was first granted such status, except that the five-year limitation shall not apply for the purposes of making payments from funds appropriated under the fiscal year 1995 Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act for providing public information and outreach activities regarding naturalization and citizenship; and English language and civics instruction to any adult eligible legalized alien who has not met the requirements of section 312 of the Immigration and Nationality Act for purposes of becoming naturalized as a citizen of the United States.”]

* * * * * * *

PUBLIC LAW 95–250

* * * * * * *

[TITLE II

[SEC. 201. As used in this title, the term—

[(1) “Secretary” unless otherwise indicated, means the Secretary of the Department of Labor;

[(2) “expansion area” means the area indicated as “Proposed (exclusive of the park protection zone) on the map entitled “Additional Lands, Redwood National Park, Humboldt County, California”, numbered 167–80005–D and dated March 1978. The number of acres authorized to be included within the expansion area is forty-eight thousand acres, as further provided herein;

[(3) “employee” means a person employed by an affected employer and, with such exceptions as the Secretary may determine, in an occupation not described by section 13(a)(1) of the Fair Labor Standards Act.

[(4) “contract employees” are employees performing work pursuant to a contract or agreement for services within or directly related to the expansion area between an affected contract employer and an affected woods employer;

[(5) “industry employer” means a corporation, partnership, joint venture, person, or other form of business entity (including a predecessor or successor by purchase, merger, or other form of acquisition), of which a working portion or division is an affected employer;

[(6) "affected employer" means a corporation, partnership, joint venture, person, or other form of business entity (including a predecessor or a successor by purchase, merger, or other form of acquisition), or a working portion or division thereof, which is engaged in the harvest of timber or in related sawmill, plywood, and other wood processing operations, and which meets the qualifications set forth in the definition of affected woods employer, affected mill employer, or affected contract employer;

[(7) "affected woods employer" means an affected employer engaged in the harvest of redwood timber who owns at least 3 per centum of the number of acres authorized to be included within the expansion area on January 1, 1997, and on the date of enactment of this section: Provided, That an affected woods employer shall be only that major portion or division of the industry employer directly responsible for such harvesting operations:

[(8) "affected mill employer" means an affected employer engaged in sawmill, plywood, and other wood processing operations in Humboldt or Del Norte Counties in the State of California who has either (A) obtained 15 per centum or more of its raw wood materials directly from affected woods employers during calendar year 1977, or (B) is a wholly owned mill of an affected woods employer: Provided, That an affected mill employer shall be only that major portion or division of tile industry employer directly responsible for such wood processing operations;

[(9) "affected contract employer" means an affected employer providing services pursuant to contract with an affected woods employer, if at least 15 per centum of said employer's employee-hours worked during calendar year 1977 were within or directly related to the expansion area pursuant to such contract or contracts;

[(10) "covered employee" means an employee who

[(A) had seniority under a collective bargaining agreement with an affected employer as of May 31, 1977, has at least twelve months of creditable service as of the date of enactment of this section, and has performed work for one or more affected employers on or after January 1, 1977, or

[(B) has performed work for one or more affected employers for at least one thousand hours from January 1, 1977, through the period to the date of enactment of this section, and has a continuing employment relationship with an affected employer, as determined by the Secretary, as of the date of enactment of this section or, if laid off on or after May 31, 1977, had such a relationship as of the date of such layoff;

[(11) "affected employee" means a covered employee who is either totally or partially laid off by an affected employer within a period beginning on or after May 31, 1977, and ending September 30, 1980, unless extended, as provided in section 203, or is determined by the Secretary to be adversely affected by the expansion of the Redwood National Park. An employee

shall be deemed adversely affected as of the date of the employee's layoff, downgrading, or termination:

[(12) "total layoff" means a calendar week during which affected employers have made no work available to a covered employee and made no payment to said covered employee for time not worked and "partial layoff" means a calendar week for which all pay received by a covered employee from affected employers is at least 10 per centum less than the layoff or vacation replacement benefit that would have been payable for that week had said covered employee suffered a total layoff: Provided, That the terms "total layoff" and "partial layoff" shall also apply to ~i covered employee who had received any workers' compensation benefits or unemployment compensation disability benefits after aid covered employee becomes able to work and available for work and is otherwise within the meaning of total layoff and partial layoff as defined in this paragraph;

[(13) "Federal agency" has the same meaning as "agency" in section 552(c) of title 5, United States Code;

[(14) "suitable work" shall be defined

[(A) as set forth in the California Unemployment Insurance Code, or Federal law if applicable, unless otherwise more restrictively defined by the Secretary, taking into account the unique characteristics of logging and related work; and

[(B) with respect to an employee who has completed retraining paid for by the Secretary, as a job paying no less than the prevailing wage rate in the area for the occupation for which said employee was retrained; or

[(C) as a job comparable with that which said employee would be required to accept pursuant to the seniority provisions of the applicable collective-bargaining agreement (or, if not covered by such an agreement, in accordance with the usual practice of the affected employer)

[(15) "seniority" with respect to an employee covered by a collective-bargaining agreement with an affected employer, shall be determined as provided in such agreement and shall be deemed to refer to company seniority, if the agreement provides for such seniority and, otherwise, to plant seniority;

[(16) "continuous service" with respect to employees not having seniority under a collective-bargaining agreement with an affected employer or an industry employer shall mean a period of time measured in months equal to the sum of all hours during which the employee performed work for said employer plus all hours for which the employee received pay for time not worked divided by one hundred and seventy-three:

[(17) "performed work" shall include any time during which an employee worked for an affected employer or with respect to which an employee received pay from such an employer for time not worked, and shall also include any time during which an employee would have been at work for such an employer if not for service in the armed forces, for a leave (approved by the employer) for work with an employee organization, or for a disability for which said employee received workers' compensa-

tion, disability compensation benefits provided under California law, of social security disability pension benefits: Provided, That contract employees shall be deemed to have performed work during the period of such service or disability only if—

[(A) the employee worked within or directly related to the expansion area immediately prior to the occurrence of such service or disability and

[(B) the employee returned or sought to return to work for an affected contract employer immediately after the end of the service or disability if that was prior to the date of enactment. The term "work performed", when use in relation to a period of time, shall also be deemed to include any period during which an employee is deemed to have performed work;

[(18) "terminal pay" means the payments to employees provided for in sections 207, 208, and 209 which, regardless of the designations used herein to distinguish among them are intended and shall be deemed to be severance pay and, as such, shall be treated for Federal income tax and State unemployment insurance purposes in the same manner as is provided by California State law;

[(19) Notwithstanding any other provision of this Act, the Secretary shall reduce the amount of terminal pay for an employee, as calculated pursuant to section 207, 208, or 209, by the amount of the Federal and State income taxes which would be required to be withheld by an employer from wages equal to such terminal pay if paid to an employee with the same number of income tax exemptions as the recipient. For purposes of determining the amounts of such reductions with respect to severance payments made pursuant to sections 208 and 209, said severance payments shall be prorated over the number of weeks the equivalent sums would have been paid if the employees were eligible for and claiming the weekly layoff benefits provided in section 207. The Secretary shall withhold social security contributions from terminal pay in the same amounts as would be withheld if such pay (before the reductions provided for in this subsection) were wages and the Secretary shall make contributions on behalf of employees receiving terminal pay to the trust funds created under section 201 of the Social Security Act equal to the contributions required to be made by an employer paying wages equal to such unreduced terminal pay; and

[(20) "Sixty-fifth birthday" means the last day of the month in which the sixty-fifth birthday occurs.

[SEC. 202. The Secretary is authorized to develop the necessary procedures to implement this title.]

[AFFECTED EMPLOYEES

[SEC. 203. The total or partial layoff of a covered employee employed by an affected employer during the period beginning May 31, 1977, and ending September 30, 1980, other than for a cause that would disqualify an employee for unemployment compensation, except as provided in section 205, is conclusively Presumed to be attributable to the expansion of Redwood National Park: Pro-

vided, That the Secretary may, for good cause, extend this period for any group of covered employees by no more than one year at a time after September 30, 1980. Any covered employee laid off during that period by an affected employer shall be considered an affected employee at any time said employee is on such layoff within the period ending September 30, 1984, or, if earlier, the end of said employee's period of protection as defined herein: Provided, however, That the number of affected employees with respect to an affected contract employer shall be limited in any week to that number of such employees otherwise affected as provided herein that is equal to the percentage of the affected employer's employee hours during calendar year 1977 that were worked within or directly related to the expansion area.

[SEC. 204. (a) The Secretary shall provide, to the maximum extent feasible, for retention and accrual of all rights and benefits which affected employees would have had in an employment with affected employers during the period in which they are affected employees. The Secretary is authorized and shall seek to enter into such agreements as he may deem to be appropriate with affected employees and employers, labor organizations representing covered employees, and trustees of applicable pension and welfare funds, or to take such other actions as he deems appropriate to provide for affected employees (including the benefits provided for in section 207(d)) the following rights and benefits:

[(1) retention and accrual of seniority rights, including recall rights (or, in the case of employees not covered by collective bargaining agreements, application of the same preferences and privileges based upon length of continuous service as are applied under the affected employers usual practices) under conditions no more burdensome to said employees than to those actively employed; and

[(2) continuing entitlement to health and welfare benefits and accrual of pension rights and credits based upon length of employment and/or amounts of earnings to the same extent as and at no greater cost to said employees than would have been applicable had they been actively employed.

[(b) The Secretary shall provide, additionally, for continuing entitlement to health and welfare benefits (other than group life and additional death, dismemberment, and loss of sight benefits) for employees who

[(1) retired from employment with an affected employer for reasons other than disability on or after May 31, 1977, but not later than September 30, 1984;

[(2) are receiving pension benefits under a plan financed by industry employers

[(3) were age sixty-two or older but less than age sixty-five at the time of retirement and

[(4) are not eligible for benefits under title XVIII of the Social Security Act.

[(c) The agreements described in subsection (a) of this section shall provide for the Secretary, effective October 1, 1977, to make payments on behalf of eligible affected employees including employees eligible for the benefits provided for in section 207(d) to the applicable pension and welfare trust funds and to insurance compa-

nies. Such payments may be made in the form of grants and/or contributions equivalent to the difference between the amounts payable by their affected employers and labor organizations pursuant to collective-bargaining agreements (or, in the absence of such agreements, pursuant to established practice) and the amounts that would have been paid by their affected employers and their labor organizations had said employees worked or received pay for the periods for which they receive layoff benefits: Provided, That no payment shall be made to a pension fund on behalf of an employee who is receiving a pension from such fund. For purposes of determining the amounts of contributions calculated on the basis of worked or compensable hours, layoff and vacation replacement benefits shall be converted into the hours they represent in accordance with regulations to be issued by the Secretary.

[(d) No person shall be subject to liability under the Employee Retirement Income Security Act of 1974, section 302 of the Labor Management Relations Act, 1947, or any other law, solely by reason of the receipt of payments from the Secretary or the payment of benefits to affected employees in accordance with this section. Receipt of such payments and the payment of such benefits are deemed to be consistent with any relevant plan documents. No action taken pursuant to this section shall be deemed to place the Secretary in the position of an employer or a party in interest (including a fiduciary) for purposes of the Employee Retirement Income Security Act of 1974.

[SEC. 205. (a) An application for unemployment compensation filed by a covered employee on or after the first Monday following the date of enactment shall be deemed an application for the benefits provided by this Act.

[(b) An affected employee shall be eligible (unless said employee has received a social security retirement or disability benefit or a pension under a plan contributed to by an affected employer) for layoff and vacation replacement benefits, as defined herein, effective the first Monday following the date of enactment, for each week of total or partial layoff if, with respect to said week, said employed

[(1) is registered with the United States Employment and Training Service in Humboldt or Del Norte Counties or one of the adjacent counties in the State of California or at such other location as the Secretary may designate;

[(2) is eligible for unemployment compensation benefits under the California Unemployment Insurance Code: Provided, That the Secretary is authorized and directed to provide for the payment of benefits under this title to an affected employee who is held ineligible or is disqualified for benefits under said code solely because of one or more of the following reasons: insufficient base period earnings; exhaustion of benefit rights; earnings in excess of the amount which would entitle the employee to a partial benefit for the week; the waiting week requirement; unavailability for work because of jury duty, National Guard duty, retraining authorized, financed or approved by a public agency, or because of a similar reason as determined by the Secretary; refusal of work which is not "suitable work" as defined in section 201(14) receipt of a worker's com-

pensation or other benefit for partial disability which the employee would be entitled to receive while working; and any other cause of ineligibility with respect to which the Secretary determines that, under the circumstances, it would be unreasonable or otherwise contrary to the purpose of this Act to deny said employee a benefit provided for herein; and

[(3) the employee's period of protection has not been exhausted or otherwise ended by acceptance of a severance payment.

[SEC. 206. (a) The period of protection for an affected employee shall start with the beginning of the first week for which said employee is eligible to receive a layoff or vacation replacement benefit as provided by this title, and shall continue until the earliest of (i) the date said employee accepts a severance payment provided for below, (ii) a period equal to the length of the employee's creditable service is exhausted, or (iii) said employee's sixty-fifth birthday. In no event shall such period extend beyond September 30, 1984, except as provided by subsection (d) of section 207.

[(b) creditable service shall be computed as follows:

[(1) a period equal to the length of an employee's seniority (or continuous service as defined herein) with said employee's last affected employer as of the date said employee's period of protection begins; plus

[(2) a period equal to the sum of all prior periods during which the employee had seniority (or continuous service) with the same affected employer and with other industry employers: Provided, That if such seniority was broken (or such continuous service was interrupted) for more than three consecutive years for any reason other than employment with other affected or industry employers, periods of service in the Armed Forces or disabilities for which said employee received any workers' compensation benefits, unemployment compensation disability benefits, or disability benefits under the Social Security Act, any periods of seniority (or continuous service) prior to the break in seniority (or interruption in continuous service) shall be disregarded.

[(c) If necessary, in order to establish an employee's creditable service, the Secretary shall request authorization to examine said employee's social security wage record and shall compute such service from it by a method to be prescribed by regulation.

[SEC. 207. (a) Except as further provided in this section, the amount of an eligible employee's weekly layoff benefit shall be equal to (1) the annual average of all hours of work performed by said employee for the last affected employer for whom the employee worked prior to the date of enactment of this section during those three of the five calendar years immediately preceding said date during which such hours were greatest, counting hours paid for at time and a half and double time as one and one-half and two hours, respectively, multiplied by (2) the wage rate applicable during the week for which the benefit is payable, to the highest paid job held by said employee, other than by temporary assignment, with said affected employer during the period from January 1, 1977, through the date of enactment of this section, and divided by (3) fifty-two.

[(b) The weekly benefit amount for an eligible employee with less than five calendar years of employment with one affected employer immediately prior to the enactment date shall be equal to the lessor of—

[(1) the average benefit that would be payable with respect to the same week to those covered employees (if they were eligible in the same week) who had five or more calendar years of employment with the same affected employer (in accord with subsection (a) of this section) whose benefit amounts are computed on the basis of the wage rate for a job the same as, or most similar to, the highest paid job said employee had held, other than by temporary assignment, with said affected employer during the period from January 1, 1977, through the date of enactment of this section, or

[(2) an amount calculated by substituting in clause (1) of subsection (a) the annual average of all hours of work performed by said employee for said employer during those calendar years for which said employee had performed work and throughout which lie had seniority (or continuous service).

[(c) Notwithstanding subsections (a) and (b), the Secretary shall classify as a "seasonal employee" any affected employee whose highest paid job held, other than by temporary assignment, with said affected employer during the period from January 1, 1977, through the date of enactment of this section was in an occupation in which the average annual number of weeks during which work was actually performed by all covered employees employed in said occupation during the five calendar years preceding the enactment date was forty or less. With respect to such seasonal employees—

[(1) the calculation of benefit amount set forth in subsection (a) shall be modified by—

[Deducting from the hours representing vacation pay and vacation pay increments and:

[(B) substituting for the fifty-two provided in clause (3) of subsection (a) a divisor equal to the average annual number of weeks for which said employee performed work for an affected employer in said occupation during those three of the five calendar years immediately preceding the date of enactment during which the number of such weeks was greatest: Provided, That this calculation shall be modified in accord with subsection (b) with respect to those employees who had less than five calendar years of employment with one affected employer immediately prior to the date of enactment of this section.

[(2) the number of weekly benefits payable in any calendar year shall not exceed the annual average number of weeks for which a seasonal employee received pay from an affected employer for work performed in the employee's occupation, as established by paragraph (1)(B), and shall be payable only during those weeks of each year determined by the secretary to be the usual season for that occupation;

[(3) vacation pay and vacation pay increments shall be paid in tile same amounts and at the said times of each year as they would have been paid had said employee performed work during all of the time for which said employee receives layoff

benefits. Such pay is referred to herein as "vacation replacement benefit's".

[(d) Notwithstanding any other provision of this Act, the benefits for any affected employee who will reach the age of sixty on or before September 30, 1984, shall be extended after the end of the employee's period of protection (unless severance pay has been accepted) until the employee's sixty-fifth birthday, and shall be equal to said employees weekly layoff benefit.

[(e) The benefit amount provided by this section for any week of total or partial layoff shall be reduced by—

[(1) the full amount of any earnings, including pay for time not worked with respect to the same week, from employment obtained pursuant to section 103, or employment by employers engaged in timber harvesting, or in related sawmill, plywood, and other wood processing operations;

[(2) 50 per centum of earnings and pay for time not worked from any other employer with respect to that week; and

[(3) the full amount of any unemployment compensation attributable to that week.

[SEC. 208. (a) An affected employee (other than a short-service employee described in subsection (a) of section 209) shall be paid severance pay in accordance with this section if said employee;

[(1) has been on a continuous layoff from employment with the employee's last affected employer for a period of at least twenty weeks subsequent to December 31, 1977;

[(2) has no definite recall date for work with the affected employer by whom the employee was laid off and on offer of suitable work by any affected employer; and

[(3) applies for severance pay during a week with respect to which said employee has not performed work for an affected employer: Provided, That this clause shall not result in denial of severance pay to an otherwise eligible employee who at the time of application is totally and permanently disabled as defined in the Social Security Act; or

[(4) was permanently separated from employment with an affected employer during the period beginning May 31, 1977, and ending on the date of enactment of this Act, as a result of the closure of the mill or plant in which said employee was employed and has not, since said separation, been employed by an affected employer. Provided, That an employee shall be deemed an affected employee for purposes of this section if said employee meets the requirements of clauses (1), (2), and (3) of section 204(b).

[(b) The amount of severance pay payable to an employee shall be computed by multiplying the applicable number of weeks determined in accordance with subsection (c) by the amount of the weekly layoff benefit (without reduction for earnings or other benefits) which is payable, or would be payable if the employee were eligible, for the week in which the application was filed; Provided, That for a seasonal employee the amount so calculated, plus the amount of vacation replacement benefits applicable for that year shall be multiplied by the number of weeks in said employee's usual season, as determined ill section 20i(c). and the result divided by fifty-two.

[(c) Tile number of weeks of severance pay shall be equal to one week for each month of the employee's creditable service up to a maximum of seventy-two weeks; Provided, That the severance payment to any employee shall not exceed the total amount of the weekly layoff and vacation replacement benefits which would have been payable if said employee were to be eligible for such benefits continuously from the week of application until the end of the applicable period of protection (or, in the case of an employee described in the final provision of subsection (a), until the earlier of said employee's sixty-fifth birthday or September 30, 1984), calculated on the basis of the weekly amounts of such benefits as of the date of application for severance pay.

[(d) Acceptance of severance pay terminates the affected employee's period of protection and makes said employee ineligible thereafter for all other forms of terminal pay and for the protections provided in section ,04. except as otherwise specifically provided in this Act.

[(e) Before making a severance payment to an employee, the Secretary shall obtain said employee's written agreement that, upon resumption of employment in the industry within Humboldt and Del Norte Counties and the counties adjacent thereto in the State of California prior to September 30, 1980, or such later date established by the Secretary with respect to said employee pursuant to section 203, said employee will return it in weekly installments equal to a specified percentage of the employee's earnings in the industry, which the Secretary shall set at a reasonable level. The agreement shall include authorization for the Secretary to arrange with an employer for withholding of the applicable amounts from the employee's pay.

[SHORT-SERVICE EMPLOYEES

[SEC.209. (a) Notwithstanding any other provision of this Act, an affected employee as defined in this title shall be ineligible for any benefit under this title except as provided in this section if:

[(1) said employee will not reach age sixty before October 1, 1984; and

[(2) said employee as of the date of becoming an affected employee, does not have service credit for pension purposes of at least five full years under a pension plan contributed to by industry employers.

[(b) An affected employee described in subsection (a) shall be paid severance pay in accordance with this section if said employee meets tile requirements of section 208(a).

[(c) Said employee shall be paid a severance Payment equal to forty times the hourly wage rate applicable at the time of application for severance pay to the highest paid job held by said employee other than by temporary assignment, during calendar year 19p77, with the employee's last affected employer for each one hundred and seventy-three hours for which said employee performed work for affected employers.

[(d) Subsection (d) of section 208 shall be applicable to employees applying for and accepting severance payments pursuant to this section except that such employees shall remain eligible for allowances provided for in sections 211 and 212, and for retraining as

provided for in section 210(a) and while in good faith engaged in such training shall be paid the same stipends and allowances as are generally applicable to individuals engaged in such retraining programs who are not employees as defined in this Act.

[RETRAINING

[SEC. 210. (a) An affected employee is eligible to apply for and the Secretary shall authorize training (including training for technical and professional occupations) at Government expense during said employee's period of protection if—

[(1) the Secretary determines that there is no suitable employment available for the employee within a reasonable commuting area; and

[(2) there is substantial reason to believe that the employee's employment prospects would be enhanced after successful completion of the training for which application has been filed.

[(b) An affected employee engaged in training authorized by subsection (a) shall be paid layoff and vacation replacement benefits while in good faith engaged in such training and shall continue to be paid such benefits while so engaged.

[SEC. 211. Upon application filed by an affected employee during said employee's period of protection, said employee shall be eligible for a job search allowance under the same terms, conditions, and amounts as provided in section 237 of the Trade Act of 1974

[SEC. 212. (a) A relocation allowance shall be paid upon application by an affected employee during the applicable period of protection if—

[(1) the Secretary determines that said employee cannot reasonably be expected to obtain suitable work in the commuting area in which said employee resides; and

[(2) the employee has obtained—

[(A) suitable employment affording a reasonable expectation of long-term duration in the area in which said employee wishes to relocate; or

[(B) a bona fide offer of such employment; or

[(3) the employee relocated during the period beginning May 31, 1977, and ending on the date of enactment, because of acceptance of employment requiring a change ill residence to a location outside the commuting area in which said employee resided immediately prior to becoming an affected employee.

[(b) The Secretary shall provide the same moving expense benefits for the same purposes as are set forth ill the Regional Raid Reorganization Act of 1973 (Public Law 93–236).

[ADMINISTRATION

[SEC. 213.(a) The Secretary shall be responsible for paying promptly all benefits and payments provided by this title.

[(b) Effective October 1, 1977, there are authorized to be appropriated annually such sums as may be required to meet the obligations provided for in this title.

[(c) The Secretary shall have the authority to obtain information necessary to carry out the responsibilities created under this Act in the same manner as provided by section 249 of the Trade Act of 1974.

[(d) The Secretary shall offer all reasonable cooperation and assistance to individuals who believe they may qualify for the benefits, payments, preferential hiring rights, and other protections provided for employees under this Act. Among other things, the Secretary shall—

[(1) provide all covered employees with literature stating their rights and obligations in nontechnical terms; and

[(2) develop and implement procedures for the filing (including filing by mail in appropriate circumstances as determined by the Secretary) of applications; appeals, and complaints relating to the rights and entitlements established for employees by this title designed to facilitate prompt determinations and prompt payment to eligible applicants.

[(e) The Secretary shall direct that notices; reports, applications, appeals, and information concerning the implementation of this title required to be filed with the Secretary shall be filed at the offices of the United States Employment and Training Service in Humboldt and Del Norte Counties of the State of California and that information required to facilitate employees; exercise of their rights under this title shall be kept available at such offices unless the Secretary shall designate additionally.

[(f) In all cases where two or more constructions of the language of this title would be reasonable, the Secretary shall adopt and apply that construction which is most favorable to employees. The Secretary shall avoid inequities adverse to employees that otherwise would arise from an unduly literal interpretation of the language of this title.]

* * * * * * *

TITLE 29—UNITED STATES CODE

DISPLACED HOMEMAKERS SELF-SUFFICIENCY ASSISTANCE ACT

* * * * * * *

[§ 2301. Findings; Statement of Purpose

[(a) Findings. The Congress finds that—

[(1) the Nation has a vested interest in building a quality and productive workforce that will enable the United States to compete effectively in the global marketplace;

[(2) two in every three new entrants to the workforce during the 1990's will be women, and such women need appropriate basic and occupational skills to fill jobs requiring much higher skill levels than the jobs of today;

[(3) there are approximately 15,600,000 displaced homemakers in the United States, the majority of whom are women not in the labor force, who live in poverty and who require educational, vocational, training and other services to obtain financial independence and economic security; and

[(4) Federal, State, and local programs addressing the training and employment needs of displaced homemakers have been

fragmented and insufficient to serve displaced homemakers effectively.

[(b) Purpose. It is the purpose of this Act to provide assistance to States to provide coordination and referral services, support service assistance, and program and technical assistance to displaced homemakers and displaced homemaker service providers. Such assistance will enable public and private entities to better meet the needs of displaced homemakers and will expand the employment and self-sufficiency options of displaced homemakers.]

* * * * * * *

TITLE 40—UNITED STATES CODE

APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

* * * * * * *

[§ 211. Uniform; at whose expense; Capitol Police

[The members of the Capitol police shall furnish, at their own expense, each his own uniform, which shall be in exact conformity to that required by regulation of the Sergeants-at-Arms.]

* * * * * * *

TITLE 42—UNITED STATES CODE

STEWART B McKINNEY HOMELESS ASSISTANCE ACT

* * * * * * *

[§ 11421. State literacy initiatives

[(a) General authority. The Secretary of Education shall make grants to State educational agencies to enable such agency to implement, either directly or through contracts and grants, a program of literacy training and basic skills remediation for adult homeless individuals within the State, which shall—

[(1) include a program of outreach activities; and

[(2) be coordinated with existing resources such as community-based organizations, VISTA recipients, adult basic education program recipients, and nonprofit literacy-action organization.

[(b) Application. Each State educational agency desiring to receive its allocation under this section shall submit to the Secretary of Education an application at such time, in such manner, and containing such information as the Secretary may reasonably require. Each such application shall include an estimate of the number of homeless expected to be served.

[(c) Authorization of appropriations; allocation.

[(1) There is authorized to be appropriated $10,000,000 for each of the fiscal years 1989 and 1990, $13,700,000 for fiscal year 1991, and such sums as may be necessary in each of the fiscal years 1992 and 1993, for the adult literacy and basic skills remediation programs authorized by this section.

[(2) The Secretary of Education shall, in making grants under this section, give special consideration to the estimates submitted in the application under subsection (b) of this section.

[(d) Definition. As used in this section, the term "State" means each of the several States, the District Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.]

* * * * * * *

[§ 11441. Demonstration program authorized

[(a) General authority. The Secretary of Labor shall, from funds appropriated pursuant to section 739, make grants for the Federal share of job training demonstration projects for homeless individuals in accordance with the provisions of this subtitle

[(b) Contract authority. The Secretary is authorized to enter into such contracts with State and local public agencies, private nonprofit organizations, private businesses, and other appropriate entities as may be necessary to carry out the provisions of this subtitle]

* * * * * * *

TITLE 49—UNITED STATES CODE

* * * * * * *

[§ 5322. Human resource programs

[The Secretary of Transportation may undertake, or make grants and contracts for, programs that address human resource needs as they apply to mass transportation activities. A program may include—

[(1) an employment training program;

[(2) an outreach program to increase minority and female employment in mass transportation activities;

[(3) research on mass transportation personnel and training needs; and

[(4) training and assistance for minority business opportunities.]

* * * * * * *

[CHAPTER 421—LABOR–MANAGEMENT PROVISIONS

[Subchapter I—Employee Protection Program

[§ 42101. Definitions

[(a) General. In this subchapter

[(1) "eligible protected employee" means a protected employee who is deprived of employment, or who is adversely affected related to compensation, because of a qualifying dislocation.

[(2) "major contraction" means a reduction (except as provided in subsection (b) of this section) of at least 7.5 percent

in the number of full-time employees of an air carrier within a 12-month period, except for employees deprived of employment because of a strike or whose employment is ended for cause.

[(3) "protected employee" means an individual who on October 24, 1978, had been employed for at least 4 years by an air carrier that held a certificate under section 401 of the Federal Aviation Act of 1958, but does not include a director or officer of a corporation.

[(4) "qualifying dislocation" means a bankruptcy or major contraction of an air carrier holding a certificate under section 41102 of this title when the Secretary of Transportation finds the bankruptcy or contraction occurred after December 31, 1978, and before January 1, 1989, the major cause of which was the change in regulatory structure provided by the Airline Deregulation Act of 1978.

[(b) Major contraction. The Secretary may find a reduction of less than 7.5 percent of the number of full-time employees is part of a major contraction if the Secretary decides another reduction is likely to occur within the 12-month period in which the first reduction occurs that, when included with the first reduction, will result in a total reduction of more than 7.5 percent.

[§ 42102. Payments to eligible protected employees

[(a) Authority to pay and applications for payments. Subject to amounts provided in an appropriation law, the Secretary of Labor shall make monthly assistance payments, moving expense payments, and reimbursement payments as provided under this section to an eligible protected employee whose employment is not ended for cause. The employee must apply to receive the payments and cooperate with the Secretary in finding other employment.

[(b) Number and amount of payments.

[(1) Subject to amounts provided in an appropriation law, an eligible protected employee shall receive 72 monthly assistance payments. However, an eligible protected employee deprived of employment may not receive a payment after obtaining other employment. For each class or craft of protected employees, the Secretary of Labor, after consulting with the Secretary of Transportation, shall prescribe by regulation guidelines for computing the amount of each monthly assistance payment to be made to a member of the class or craft and what percentage of salary that payment represents.

[(2) The amount of a monthly payment payable under paragraph (1) of this subsection to an eligible protected employee shall be reduced—

[(A) by unemployment compensation the employee receives; or

[(B) if the employee does not accept reasonably comparable employment, to an amount the employee would be entitled to receive if the employee had accepted the employment.

[(3) If accepting comparable employment to avoid a reduction in the monthly assistance payment under paragraph (2) of this subsection would force an eligible protected employee to

relocate, the employee may decide not to relocate. Instead of the payment provided under this section, the employee may receive the lesser of 3 payments or the maximum number of payments that remain to be paid under paragraph (1) of this subsection.

[(c) Moving expenses and reimbursements.

[(1) Subject to amounts provided in an appropriation law, an eligible protected employee who relocates shall receive—

[(A) reasonable moving expense payments to move the employee and the employee's immediate family; and

[(B) reimbursement payments for a loss incurred in selling the employee's principal place of residence for less than fair market value or in cancelling a lease on, or contract to buy, the residence.

[(2) The Secretary of Labor shall decide on the amount of the moving expenses and the fair market value of the residence.]

[§ 42103. Duty to hire protected employees

[(a) Rehiring protected employees. A protected employee of an air carrier regulated by the Secretary of Transportation who was furloughed or whose employment was ended by the carrier (except for cause) before October 23, 1988, is entitled to be the first employed in the occupational specialty of the employee, regardless of the employee's age, by any other air carrier holding a certificate under section 41102 of this title before October 24, 1978. However, the air carrier may recall its furloughed employees before hiring a protected employee of another air carrier regulated by the Secretary who was furloughed or whose employment was ended by the other carrier (except for cause) before October 23, 1988. An employee hired by an air carrier under this section retains seniority and recall rights with the air carrier that furloughed or ended the employment of the employee.

[(b) Duties of Secretary of Labor. The Secretary of Labor—

[(1) shall establish and publish periodically a list of jobs available with an air carrier holding a certificate under section 41102 of this title that includes necessary information and detail;

[(2) shall assist eligible employees to find other employment;

[(3) shall encourage negotiations between air carriers and representatives of the employees on rehiring practices and seniority; and

[(4) may require an air carrier to file with the Secretary information]

[§ 42104. Congressional review of regulations

[(a) Definition. In this section, ''legislative day'' means a calendar day on which both Houses of Congress are in session.

[(b) Submission to Congress. The Secretary of Labor may not prescribe a regulation under this subchapter until 30 legislative days after the regulation is submitted to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Public Works and Transportation of the House of Representatives.

[(c) Effectiveness of regulations. A proposed regulation under this subchapter shall be submitted to Congress and becomes effective only if, during the period of 60 legislative days after the regulation is submitted to Congress, either House does not pass a resolution disapproving the regulation. However, if Congress adopts a resolution approving the regulation during the 60-day period, the regulation is effective on that date.]

[§ 42105. Airline Employees Protective Account

[The Department of Labor has an Airline Employees Protective Account consisting of amounts appropriated to it. An amount necessary to carry out this subchapter, including administrative expenses, may be appropriated to the Account annually.

[§ 42106. Ending effective date

[This subchapter is not effective after the last day the Secretary of Labor must make a payment under this subchapter.]

* * * * * * *

TITLE 7—UNITED STATES CODE

FOOD STAMP ACT OF 1977

* * * * * * *

§ 2015 * * *

* * * * * * *

(d) * * *

* * * * * * *

[(4)(A) Not later than April 1, 1987, each State agency shall implement an employment and training program designed by the State agency and approved by the Secretary for the purpose of assisting members of households participating in the food stamp program in gaining skills, training, or experience that will increase their ability to obtain regular employment.

[(B) For purposes of this Act, an "employment and training program" means a program that contains one or more of the following components:

[(i) Job search programs with terms and conditions comparable to those prescribed in subparagraphs (A) and (B) of section 402(a)(35) of part A of title IV of the Social Security Act, except that the state agency shall retain the option to apply employment requirements prescribed under this clause to program applicants at the time of application.

[(ii) Job search training programs that include, to the extent determined appropriate by the State agency, reasonable job search training and support activities that may consist of jobs skills assessments, job finding clubs, training in techniques for employability, job placement services, or other direct training or support activities, including educational programs, determined by the State agency to

expand the job search abilities or employability of those subject to the program.

[(iii) Workfare programs operated under section 20.

[(iv) Programs designed to improve the employability of household members through actual work experience or training, or both, and to enable individuals employed or trained under such programs to move promptly into regular public or private employment. An employment or training experience program established under this clause shall—

[(I) limit employment experience assignments to projects that serve a useful public purpose in field such as health, social services, environmental protection, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, and day care;

[(II) to the extent possible, use the prior training, experience, and skills of the participating member in making appropriate employment or training experience assignments;

[(III) not provide any work that has the effect of replacing the employment of an individual not participation in the employment or training experience program; and

[(IV) provide the same benefits and working conditions that are provided at the job site to employees performing comparable work for comparable hours.

[(v) Educational programs or activities to improve basic skills and literacy, or otherwise improve employability, including educational programs determined by the State agency to expand the job search abilities or employability of those subject to the program under this paragraph.

[(vi) Programs designed to increase the self-sufficiency of recipients through self-employment, including programs that provide instruction for self-employment ventures.

[(vii) As approved by the Secretary or the State under regulations issued by the Secretary, other employment, educational and training programs, projects, and experiments, such as a supported work program, aimed at accomplishing the purpose of the employment and training program.

[(C) The State agency may provide that participation in an employment and training program may supplement or supplant other employment-related requirements imposed on those subject to the program.

[(D) (i) Each State agency may exempt from any requirement for participation in any program under this paragraph categories of household members to which the application of such participation requirement is impracticable as applied to such categories due to factors such as the availability of work opportunities and the cost-effectiveness of the employment requirements. In making such a determination, the State agency may designate a category consisting of all such household members residing in a specific area of the State. Each State

may exempt, with the approval of the Secretary, members of households that have participated in the food stamp program 30 days or less.

[(ii) Each State agency may exempt from any requirement for participation individual household members not included in any category designated as exempt under clause (i) but with respect to whom such participation is impracticable because of personal circumstances such as lack of job readiness and employability, the remote location of work opportunities, and unavailability of child care.

[(iii) Any exemption of a category or individual under this subparagraph shall be periodically evaluated to determine whether, on the basis of the factors used to make a determination under clause (i) or (ii), the exemption continues to be valid.Such evaluations shall occur no less often than at each certification or recertification in the case of exemptions under clause (ii).

[(E) Each State agency shall establish requirements for participation by individuals not exempt under subparagraph (D) in one or more employment and training programs under this paragraph, including the extent to which any individual is required to participate. Such requirements may vary among participants. Through September 30, 1995, two Stats may, on application to and after approval by the Secretary give priority in the provision of services to voluntary participants (including both exempt and non-exempt participants), except that this sentence shall not excuse a State from compliance with the performance standards issued under subparagraphs (K) and (L), and the Secretary may, at the Secretary's discretion, approve additional States' requests to give such priority if the Secretary reports to Congress on the number and characteristics of voluntary participants given priority under this sentence and such other information as the Secretary determines to be appropriate.

[(F) (i) The total hours of work in an employment and training program carried out under this paragraph required of members of a household, together with the hours of work of such members in any program carried out under section 20, in any month collectively may not exceed a number of hours equal to the household's allotment for such month divided by the higher of the applicable State minimum wage or Federal minimum hourly rate under the Fair Labor Standards Act of 1938. (ii) The total hours of participation in such program required of any member of a household, individually, in any month, together with any hours worked in another program carried out under section and any hours worked for compensation (in cash or in kind) in any other capacity, shall not exceed one hundred and twenty hours per month.

[(G) (i) The State agency may operate any program component under this paragraph in which individuals elect to participate.

[(ii) The State agency shall permit, to the extent it determines practicable, individuals not subject to requirements imposed under subparagraph (E) or who have complied, or are in

the process of complying, with such requirements to participate in any program under this paragraph.

[(H) (i) The Secretary shall issue regulations under which each State agency shall establish a conciliation procedure for the resolution of disputes involving the participation of an individual in the program.

[(ii) Federal funds made available to a State agency for purposes of the component authorized under subparagraph (B)(v) shall not be used to supplant non-Federal funds used for existing services and activities that promote the purposes of this component.

[(I) (i) The State agency shall provide payments or reimbursements to participants in programs carried out under this paragraph, including individuals participating under subparagraph (G), for—

[(I) the actual costs of transportation and other actual costs (other than dependent care costs), that are reasonably necessary and directly related to participation in the program, except that the State agency may limit such reimbursement to each participant to $25 per month; and

[(II) the actual costs of such dependent care expenses that are determined by the State agency to be necessary for the participation of an individual in the program (other than an individual who is the caretaker relative of a dependent in a family receiving benefits under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) in a local area where an employment, training, or education program under title IV of such Act is in operation, or was in operation, on the date of enactment of the Hunger Prevention Act of 1988 (enacted Sept. 19, 1988) up to any limit set by the State agency (which limit shall not be less than the limit for the dependent care deduction under section 5(e)), but in no event shall such payment or reimbursements exceed the applicable local market rate as determined by procedures consistent with any such determination under the Social Security Act. Individuals subject to the program under this paragraph may not be required to participate if dependent costs exceed the limit established by the State agency under this subclause or other actual costs exceed any limit established under subclause (I).

[(ii)) In lieu of providing reimbursements or payments for dependent care expenses under clause (i), a State agency may, at its option, arrange for dependent care through providers by the use of purchase of service contracts or vouchers or by providing vouchers to the household.

[(iii) The value of any dependent care services provided for or arranged under clause (ii), or any amount received as a payment or reimbursement under clause (i), shall—

[(I) not be treated as income for the purposes of any other Federal or federally assisted program that bases eligibility for, or the amount of benefits on, need; and

[(II) not be claimed as an employment-related expense for the purposes of the credit provided under section 21 of the Internal Revenue Code of 1986.

[(J) The Secretary shall promulgate guidelines that (i) enable State agencies, to the maximum extent practicable, to design and operate an employment and training program that is compatible and consistent with similar programs operated within the State, and (ii) ensure, to the maximum extent practicable, that employment and training programs are provided for Indians on reservations.

[(K) (i) For any fiscal year, the Secretary shall establish performance standards for each State that, in the case of persons who are subject to employment requirements under this section and who are not exempt under subparagraph (D), designate the minimum percentages (not to exceed 10 percent in fiscal years 1992 and 1993, and 15 percent in fiscal years 1994 and 1995 of such persons that State agencies shall place in programs under this paragraph. Such standards need not be uniform for all the States, but may vary among the several States. The Secretary shall consider the cost to the States in setting performance standards and the degree of participation in programs under this paragraph by exempt persons. The Secretary shall not require the plan of a State agency to provide for the participation of a number of recipients greater than 10 percent in fiscal years 1992 and 1993, and 15 percent in fiscal years 1994 and 1995, of the persons who are subject to employment requirements under this section and who are not exempt under subparagraph (D)

[(ii) In making any determination as to whether a State agency has met a performance standard under clause (i), the Secretary shall—

[(I) consider the extent to which persons have elected to participate in programs under this paragraph;

[(II) consider such factors as placement in unsubsidized employment, increases in earnings, and reduction in the number of persons participating in the food stamp program; and

[(III) consider other factors determined by the Secretary to be related to employment and training.

[(iii) The Secretary shall vary the performance standards established under clause (i) according to differences in the characteristics of persons required to participate and the type of program to which the standard is applied.

[(iv) The Secretary may delay establishing performance standards for up to 18 months after national implementation of the provisions of this paragraph, in order to base performance standards on State agency experience in implementing this paragraph.

[(L) (i) The Secretary shall establish performance standards and measures applicable to employment and training programs carried out under this paragraph that are based on employment outcomes, including increases in earnings.

[(ii) Final performance standards and measures referred to in clause (i) shall be published not later than 12 months after

the date that the final outcome-based performance standards are published for job opportunities and basic skills training programs under part F of title IV of the Social Security Act.

[(iii) The standards shall encourage States to serve those individuals who have greater barriers to employment and shall take into account the extent to which persons have elected to participate in employment and training programs under this paragraph. The standards shall require participants to make levels of efforts comparable to those required under the regulations set forth in section 273.7(f)(1) of title 7, Code of Federal Regulations in effect on January 1, 1991.

[(iv) the performance standards in effect under subparagraph (K) shall remain in effect during the period beginning on October 1, 1988, and ending on the date the Secretary implements the outcome-based performance standards described in this subparagraph.

[(v) A State agency shall be considered in compliance with applicable performance standards under subparagraph (K) if the State agency operates an employment and training program in a manner consistent with its approved plan and if the program requires participants to make levels of effort comparable to those required under the regulations set forth in section 273.7(f)(1) of title 7, Code of Federal Regulations in effect on January 1, 1991.

[(M) (i) The Secretary shall ensure that State agencies comply with the requirements of this paragraph and section 11(e)(22).

[(ii) If the Secretary determines that a State agency has failed, without good cause, to comply with such a requirement, including any failure to meet a performance standard under subparagraph (J), the Secretary may withhold from such State, in accordance with section 16(a), (c), and (h), such funds as the Secretary determines to be appropriate, subject to administrative and judicial review under section 14.

[(N) The facilities of the State public employment offices and agencies operating programs under the Job Training Partnership Act may be used to find employment and training opportunities for household members under the programs under this paragraph.

[(e) Students. No individual who is a member of a household otherwise eligible to participate in the food stamp program under this section shall be eligible to participate in the food stamp program as a member of that or any other household if the individual is enrolled at least half-time in an institution of higher education, unless the individual—

[(1) is under 18 or is age 50 or older;

[(2) is not physically or mentally fit;

[(3) is assigned to or placed in an institution of higher education through or in compliance with the requirements of—

[(A) a program under the Job Training Partnership Act;

[(B) an employment and training program under this section;

[(C) a program under section 236 of the Trade Act of 1974; or

[(D) another program for the purpose of employment and training operated by a State or local government, as determined to be appropriate by the Secretary;

[(4) is employed a minimum of 20 hours per week or participating in a State or federally financed work study program during the regular school year;

[(5) is—

[(A) a parent with responsibility for the care of a dependent child under age 6; or

[(B) a parent with responsibility for the care of a dependent child above the age of 5 and under the age of 12 for whom adequate child care is not available to enable the individual to attend class and satisfy the requirements of paragraph (4);

[(6) is receiving aid to families with dependent children under part A of title IV of the Social Security Act;

[(7) is so enrolled as a result of participation in the work incentive program under title IV of the Social Security Act or its successor programs; or

[(8) is enrolled full-time in an institution of higher education, as determined by the institution, and is a single parent with responsibility for the care of a dependent child under age 12.]

* * * * * * *

TITLE 8—UNITED STATES CODE

IMMIGRATION AND NATIONALITY ACT

* * * * * * *

§ 1522. * * *

* * * * * * *

[(c) Project grants and controls for services for refugees.

[(1) (A) The Director is authorized to make grants to, and enter into contracts with, public or private nonprofit agencies for projects specifically designated—

[(i) to assist refuges in obtaining the skills which are necessary for economic self-sufficiency, including projects for job training, employment services, day care, professional refresher training, and other recertification services;

[(ii) to provide training in English where necessary (regularless of whether the refugees are employed or receiving cash or other assistance); and

[(iii) to provide where specific needs have been shown and recognized by the Director, health (including mental health) services, social services, educational and other services.

[(B) The funds available for a fiscal year for grants and contracts under Subparagraph (A) shall be allocated among the States based on the total number of refugees (including children and adults) who arrived in the United States not more than 36 months before the beginning of such fiscal year and

who are actually residing in each State (taking into account secondary migration) as of the beginning of the fiscal year.

[(C) Any limitation which the Director establishes on the proportion of funds allocated to a State under this paragraph that the State may use for services other than those described in subsection (a)(1)(B)(ii) shall not apply if the Director receives a plan (established by or in consultation with local governments) and determines that the plan provides for the maximum appropriate provision of employment-related services for, and the maximum placement of, employable refugees consistent with performance standards established under section 106 of the Job Training Partnership Act.

[(2) (A) The Director is authorized to make grants to States for assistance to counties and similar areas in the States where, because of factors such as unusually large refugee populations (including secondary migration), high refugee concentrations, and high use of public assistance by refugees, there exists and can be demonstrated a specific need for supplementation of available resources for services to refugees.

[(B) Grants shall be made available under this paragraph—

[(i) primarily for the purpose of facilitating refugee employment and Achievement of self-sufficiency,

[(ii) in a manner that does not supplant other refugee program funds and that assures that not less than 95 percent of the amount of the grant award is made available to the county or other local entity.

* * * * * * *

TITLE 19—UNITED STATES CODE

TRADE ACT OF 1974

* * * * * * *

[§ 2295. Employment services

[The Secretary shall make every reasonable effort to secure for adversely affected workers covered by a certification under subchapter A of this chapter counseling, testing, and placement services, and supportive and other services, provided for under any other Federal law. The Secretary shall, whenever appropriate, procure such services through agreements with the States.]

[§ 2296. Training

[(a) Approval of training; limitation on expenditures; reasonable expectation of employment; payment of costs; approved training programs; nonduplication of payments from other sources; disapproval of certain programs; exhaustion of unemployment benefits; promulgation of regulations.

[(1) If the Secretary determines that—

[(a) there is no suitable employment (which may include technical and professional employment) available for an adversely affected worker,

[(b) the worker would benefit from appropriate training.

[(c) there is a reasonable expectation of employment following completion of such training,

[(d) training approved by the Secretary is reasonably available to the worker from either governmental agencies or private sources (which may include area vocational education schools, as defined in section 195(2) of the Vocational Education Act of 1963, and employers),

[(e) the worker is qualified to undertake and complete such training, and

[(f) such training is suitable for the worker and available at a reasonable cost, the Secretary shall approve such training for the worker. Upon such approval, the worker shall be entitled to have payment of the costs of such (subject to the limitations imposed by this section) training paid on his behalf by the Secretary directly or through a voucher system. Insofar as possible, the Secretary shall provide or assure the provision of such training on the job, which shall include related education necessary for the acquisition of skills needed for a position within a particular occupation.

[(2) (A) The total amount of payments that may be made under paragraph (1) for any fiscal year shall not exceed $80,000,000, except that for fiscal year 1997, the total amount of payments made under paragraph (1) shall not exceed $70,000,000.

[(b) If, during any fiscal year, the Secretary estimates, that the amount of funds necessary to pay the costs of training approved under this section will exceed the amount of the limitation imposed under subparagraph (A), the Secretary shall decide how the portion of such limitation that has not been expended at the time of such estimate is to be apportioned among the States for the remainder of such fiscal year.

[(3) For purposes of applying paragraph (1)(C), a reasonable expectation of employment does not require that employment opportunities for a worker be available, or offered, immediately upon the completion of training approved under this paragraph (1).

[(4) (A) If the costs of training an adversely affected worker are paid by the Secretary under paragraph (1), no other payment for such costs may be made under any other provision of Federal law.

[(b) No payment may be made under paragraph (1) of the costs of training an adversely affected worker if such costs—

[(i) have already been paid under any other provision of Federal law, or

[(ii) are reimbursable under any other provision of Federal law and a portion of such costs have already been paid under such other provision of Federal law.

[(c) The provisions of this paragraph shall not apply to, or take into account, any funds provided under any other provision of Federal law which are used for any purpose other than the direct payment of the costs incurred in training a particular adversely affected worker, even if such use has the effect of indirectly paying

or reducing any portion of the costs involved in training the adversely affected worker.

[(5) The training programs that may be approved under paragraph (1) include, but are not limited to—

[(a) on-the-job training,

[(b) any training program provided by a State pursuant to section 303 of the Job Training Partnership Act,

[(c) any training program approved by a private industry council established under section 102 of such Act,

[(d) any program of remedial education,

[(e) any training program (other than a training program described in paragraph (7)) for which all, or any portion, of the costs of training the worker are paid—

[(i) under any Federal or State program other than this chapter, or

[(ii) from any source other than this section, and

[(f) any other training program approved by the Secretary.

[(6) (A) The Secretary is not required under paragraph (1) to pay the costs of any training approved under paragraph (1) to the extent that such costs are paid—

[(i) under any Federal or State program other than this chapter, or

[(ii) from any source other than this section.

[(b) Before approving any training to which subparagraph (A) may apply, the Secretary may require that the adversely affected worker enter into an agreement with the Secretary under which the Secretary will not be required to pay under this section the portion of the costs of such training that the worker has reason to believe will be paid under the program, or by the source, described in clause (i) or (ii) of subparagraph (A).

[(7) The Secretary shall not approve a training program if—

[(a) all or a portion of the costs of such training program are paid under any nongovernmental plan or program,

[(b) the adversely affected worker has a right to obtain training or funds for training under such plan or program, and

[(c) such plan or program requires the worker to reimburse the plan or program from funds provided under this chapter, or from wages paid under such training program, for any portion of the costs of such training program paid under the plan or program.

[(8) The Secretary may approve training for any adversely affected worker who is a member of a group certified under subchapter A at any time after the date on which the group is certified under subchapter A, without regard to whether such worker has exhausted all rights to any unemployment insurance to which the worker is entitled

[(9) The Secretary shall prescribe regulations which set forth the criteria under each of the subparagraphs of paragraph (1) that will be used as the basis for making determinations under paragraph (1).

[(b) Supplemental assistance. The Secretary may, where appropriate, authorize supplemental assistance necessary to defray reasonable transportation and subsistence expenses for separate maintenance when training is provided in facilities which are not within commuting distance of a worker's regular place of residence. The Secretary may not authorize—

[(1) payments for subsistence that exceed whichever is the lesser of (A) the actual per diem expenses for subsistence, or (B) payment at 50 percent of the prevailing per diem allowance rate authorized under the Federal travel regulations, or

[(2) payments for travel expenses exceeding the prevailing mileage rate authorized under the Federal travel regulations.

[(c) Payment of costs of on-the-job training. The Secretary shall pay the costs of any on-the-job training of an adversely affected worker that is approved under subsection (a)(1) in equal monthly installments, but the Secretary may pay such costs, notwithstanding any other provision of this section, only if—

[(1) no currently employed worker is displaced by such adversely affected worker (including partial displacement such as a reduction in the hours of non-overtime work, wages, or employment benefits),

[(2) such training does not impair existing contracts for services or collective bargaining agreements,

[(3) in the case of training which would be inconsistent with the terms of a collective bargaining agreement, the written concurrence of the labor organization concerned has been obtained,

[(4) no other individual is on layoff from the same, or any substantially equivalent, job for which such adversely affected worker is being trained,

[(5) the employer has not terminated the employment of any regular employee or otherwise reduced the workforce of the employer with the intention of filling the vacancy so created by hiring such adversely affected worker,

[(6) the job for which such adversely affected worker is being trained is not being created in a promotional line that will infringe in any way upon the promotional opportunities of currently employed individuals,

[(7) such training is not for the same occupation from which the worker was separated and with respect to which such worker's group was certified pursuant to section 222,

[(8) the employer certifies to the Secretary that the employer will continue to employ such worker for at least 26 weeks after completion of such training if the worker desires to continue such employment and the employer does not have due cause to terminate such employment,

[(9) the employer has not received payment under subsection (a)(1) with respect to any other on-the-job training provided by such employer which failed to meet the requirements of paragraphs (1), (2), (3), (4), (5), and (6), and

[(10) the employer has not taken, at any time, any action which violated the terms of any certification described in paragraph (8) made by such employer with respect to any other on-the-job training provided by such employer for which the Secretary has made a payment under subsection (a)(1).

[(d) Eligibility for unemployment insurance. A worker may not be determined to be ineligible or disqualified for unemployment insurance or program benefits under this subchapter because the individual is in training approved under subsection (a), because of leaving work which is not suitable employment to enter such training, or because of the application to any such week in training of provisions of State law or Federal unemployment insurance law relating to availability for work, active search for work, or refusal to accept work. The Secretary shall submit to the Congress a quarterly report regarding the amount of funds expended during the quarter concerned to provide training under subsection (a) and the anticipated demand for such funds for any remaining quarters in the fiscal year concerned.

[(e) "Suitable employment" defined.

[For purposes of this section the term "suitable employment" means, with respect to a worker, work of a substantially equal or higher skill level than the worker's past adversely affected employment, and wages for such work at not less than 80 percent of the worker's average weekly wage.]

* * * * * * *

§ 2331 * * *

* * * * * * *

[(d) * * *

[(1) Employment services described in section 235.

[(2) Training described in section 236, except that notwithstanding the provisions of section 236(a)(2)(A) the total amount of payments for training under this subchapter for any fiscal year shall not exceed $30,000,000.]

* * * * * * *

TITLE 20—UNITED STATES CODE

ADULT EDUCATION ACT

* * * * * * *

[§ 1201. Statement of purpose

[It is the purpose of this title to assist the States to improve educational opportunities for adults who lack the level of literacy skills requisite to effective citizenship and productive employment, to expand and improve the current system for delivering adult edu-

cation services including delivery of such services to education any disadvantaged adults, and to encourage the establishment of adult education programs that will—

[(1) enable these adults to acquire the basic educational skills necessary for literate functioning;

[(2) provide these adults with sufficient basic education to enable them to benefit from job training and retraining programs and obtain and retain productive employment so that they might more fully enjoy the benefits and responsibilities of citizenship; and

[(3) enable adults who so desire to continue their education to at least the level of completion of secondary school.]

* * * * * * *

TITLE 20—UNITED STATES CODE

CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT

* * * * * * *

[§ 2301. Statement of purpose

[It is the purpose of this Act to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population. This purpose will principally be achieved through concentrating resoruces on improving educational programs leading to academic and occupational skill competencies needed to work in a technologically advanced society.]

* * * * * * *

TITLE 20—UNITED STATES CODE

SCHOOL-TO-WORK OPPORTUNITIES ACT OF 1994

* * * * * * *

[§ 6101 Findings.

[Congress finds that

[(1) three-fourths of high school students in the United States enter the workforce without baccalaureate degrees, and many do not possess the academic and entry-level occupational skills necessary to succeed in the changing United States workplace;

[(2) a substantial number of youths in the United States, especially disadvantaged students, students of diverse racial, ethnic, and cultural backgrounds, and students with disabilities, do not complete high school;

[(3) unemployment among youths in the United States is intolerably high, and earnings of high school graduates have been falling relative to earnings of individuals with more education;

[(4) the workplace in the United States is changing in response to heightened international competition and new technologies, and such forces, which are ultimately beneficial to the Nation, are shrinking the demand for and undermining the earning power of unskilled labor,

[(5) The United States lacks a comprehensive and coherent system to help its youths acquire the knowledge, skills, abilities, and information about and access to the labor market necessary to make an effective transition from school to career-oriented work or to further education and training;

[(6) students in the United States can achieve high academic and occupational standards, and many learn better and retain more when the students learn in context, rather than in the abstract;

[(7) while many students in the United States have part-time jobs, there is infrequent linkage

[(a) such jobs; and

[(b) the career planning or exploration, or the school-based learning, of such students;

[(8) the work-based learning approach, which is modeled after the time-honored apprenticeship concept, integrates theoretical instruction with structured on-the-job training, and this approach, combined with school-based learning, can be very effective in engaging student interest, enhancing skill acquisition, developing positive work attitudes, and preparing youths for high-skill, high-wage careers;

[(9) Federal resources currently fund a series of categorical, work-related education and training programs, many of which serve disadvantaged youths, that are not administered as a coherent whole; and

[(10) in 1992 approximately 3,400,000 individuals in the United States age 16 through 24 had not completed high school and were not currently enrolled in school, a number representing approximately 11 percent of all individuals in this age group, which indicates that these young persons are particularly unprepared for the demands of a 21st century workforce.]

* * * * * * *

TITLE 29—UNITED STATES CODE

WAGNER-PEYSER ACT

* * * * * * *

[§ 49. United States Employment Service established

[In order to promote the establishment and maintenance of a national system of public employment offices, the United States Employment Service shall be established and maintained within the Department of Labor.]

* * * * * * *

TITLE 29—UNITED STATES CODE

JOB TRAINING PARTNERSHIP ACT

* * * * * * *

[§ 1501. Statement of purpose

[It is the purpose of this Act to establish programs to prepare youth and adults facing serious barriers to employment for participation in the labor force by providing job training and other services that will result in increased employment and earnings, increased educational and occupational skills, and decreased welfare dependency, thereby improving the quality of the work force and enhancing the productivity and competitiveness of the Nation]

* * * * * * *

TITLE 42—UNITED STATES CODE

SOCIAL SECURITY ACT

* * * * * * *

[§ 681. Purpose and definitions

[(a) Purpose. It is the purpose of this part to assure that needy families with children obtain the education, training, and employment that will help them avoid long-term welfare dependence.

[(b) Meaning of terms. Except to the extent otherwise specifically indicated, terms used in this part shall have the meanings given them in or under part A.]

* * * * * * *

TITLE 42—UNITED STATES CODE

OLDER AMERICANS ACT

* * * * * * *

[§ 3056. Older American Community Service Employment Program

[(a) Employment. In order to foster and promote useful part-time opportunities in community service activities for unemployed low-income persons who are fifty-five years old or older and who have poor employment prospects, the Secretary of Labor (hereinafter in this title referred to as the "Secretary") is authorized to establish an older American community service employment program.

[(b) Authority of Secretary; execution of agreements with terms and conditions for furthering purposes and goals of program; regulations for execution of provisions of 42 USCS 3056 et seq.

[(1) in order to carry out the provisions of this title, the Secretary is authorized to enter into agreements with public or private nonprofit agencies or organizations, including national organizations, agencies of a State government or a political

subdivision of a State (having elected or duly appointed governing officials), or a combination of such political subdivisions, or tribal organizations in order to further the purposes and goals of the program. Such agreements may include provisions for the payment of costs, as provided in subsection (c), of projects developed by such organizations and agencies in cooperation with the Secretary in order to make the program effective or to supplement the program. No payment shall be made by the Secretary toward the cost of any project established or administered by any such organization or agency unless the Secretary determines that such project—

[(A) will provide employment only for eligible individuals, except for necessary technical, administrative, and supervisory personnel, but such personnel shall, to the fullest extent possible, be recruited from among eligible individuals;

[(B) will provide employment for eligible individuals in the community in which such individuals reside, or in nearby communities;

[(C) will employ eligible individuals in services related to publicly owned and operated facilities and projects, or projects sponsored by organizations, other than political parties, exempt from taxation under the provisions of section 501(c)(3) of the Internal Revenue Code of 1986, except projects involving the construction, operation, or maintenance of any facility used or to be used as a place for sectarian religious instruction or worship;

[(D) will contribute to the general welfare of the community;

[(E) will provide employment for eligible individuals;

[(F) (i) will result in an increase in employment opportunities over those opportunities which would otherwise be available, (ii) will not result in the displacement of currently employed workers (including partial displacement, such as a reduction in the hours of nonovertime work or wages or employment benefits), and (iii) will not impair existing contracts or result in the substitution of Federal funds for other funds in connection with work that would otherwise be performed;

[(G) will not employ or continue to employ any eligible individual to perform work the same or substantially the same as that performed by any other person who is on layoff;

[(H) will utilize methods of recruitment and selection (including listing of job vacancies with the employment agency operated by any State or political subdivision thereof) which will assure that the maximum number of eligible individuals will have an opportunity to participate in the project;

[(I) will include such training as may be necessary to make the most effective use of the skills and talents of those individuals who are participating, and will provide for the payment of the reasonable expenses of individuals being trained, including a reasonable subsistence allowance;

[(J) will assure that safe and healthy conditions of work will be provided, and will assure that individuals employed in community service jobs assisted under this title shall be paid wages which shall not be lower than whichever is the highest of (i) the minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938, if section 6(a)(1) of such Act applied to the participant and if the participant were not exempt under section 13 thereof, (ii) the State or local minimum wage for the most nearly comparable covered employment, or (iii) the prevailing rates of pay for individuals employed in similar public occupations by the same employer,

[(K) will be established or administered with the advice of persons competent in the field of service in which employment is being provided, and of persons who are knowledgeable with regard to the needs of older persons;

[(L) will authorize pay for necessary transportation costs of eligible individuals which may be incurred in employment in any project funded under this title, in accordance with regulations promulgated by the Secretary;

[(M) will assure, that to the extent feasible, such project will serve the needs of minority, limited English-speaking, and Indian eligible individuals, and eligible individuals who have greatest economic need, at least in proportion to their numbers in the State and take into consideration their rates of poverty and unemployment;

[(N) (i) will prepare an assessment of—

[(I) the participants' skills and talents;

[(II) their need for supportive services; and

[(III) their physical capabilities;

except to the extent such project has, for the particular participant involved, an assessment of such skills and talents, such need, or such capabilities prepared recently pursuant to another employment or training program (such as a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.) or the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.));

[(ii) will provide to eligible individuals training and employment counseling based on strategies that identify appropriate employment objectives and the need for supportive services, developed as a result of the assessment provided for in clause (i); and

[(iii) will provide counseling to participants on their progress in meeting such objectives and satisfying their need for supportive services;

[(O) will authorize funds to be used, to the extent feasible, to include individuals participating in such project under any State unemployment insurance plan; and

[(P) will post in such project workplace a notice, and will make available to each person associated with such project a written explanation, clarifying the law with respect to allowable and unallowable political activities under chapter 15 of title 5, United States Code, applicable to the project

and to each category of individuals associated with such project and containing the address and telephone number of the Inspector General of the Department of Labor, to whom questions regarding the application of such chapter may be addressed.

[(2) The Secretary is authorized to establish, issue, and amend such regulations as may be necessary to effectively carry out the provisions of this title.

[(3) The Secretary shall develop alternatives for innovative work modes and provide technical assistance in creating job opportunities through work sharing and other experimental methods to prime sponsors, labor organizations, groups representing business and industry and workers as well as to individual employers, where appropriate.

[(4) The Secretary may enter into an agreement with the Administrator of the Environmental Protection Agency to establish a Senior Environmental Employment Corps.

[(c) Costs; non-Federal share.

[(1) The Secretary is authorized to pay not to exceed 90 percent of the cost of any project which is the subject of an agreement entered into under subsection (b), except that the Secretary is authorized to pay all of the costs of any such project which is (A) an emergency or disaster project, or (B) a project located in an economically depressed area, as determined by the Secretary in consultation with the Secretary of Commerce and the Secretary of Health and Human Services.

[(2) The non-Federal share shall be in cash or in kind. In determining the amount of the non-Federal share, the Secretary is authorized to attribute fair market value to services and facilities contributed from non-Federal sources.

[(3) Of the amount for any project to be paid by the Secretary under this subsection, not more than 13.5 percent for fiscal year 1987 and each fiscal year thereafter shall be available for paying the costs of administration for such project, except that—

[(A) whenever the Secretary determines that it is necessary to carry out the project assisted under this title, based on information submitted by the public or private nonprofit agency or organization with which the Secretary has an agreement under subsection (b), the Secretary may increase the amount available for paying the cost of administration to an amount not more than 15 percent of the cost of such project; and

[(B) whenever the public or private nonprofit agency or organization with which the Secretary has an agreement under subsection (b) demonstrates to the Secretary that—

[(i) major administrative cost increases are being incurred in necessary program components, including liability insurance, payments for workers' compensation, costs associated with achieving unsubsidized placement goals, and other operation requirements imposed by the Secretary;

[(ii) the number of employment positions in the project or the number of minority eligible individuals

participating in the project will decline if the amount available for paying the cost of administration is not increased; or

[(iii) the size of the project is so small that the amount of administrative expenses incurred to carry out the project necessarily exceed 13.5 percent of the amount for such project; the Secretary shall increase the amount available for the fiscal year for paying the cost of administration to an amount not more than 15 percent of the cost of such project.

[(d) Project and program distribution review; notice and opportunity for hearing.

[(1) Whenever a national organization or other program sponsor conducts a project within a planning and service area in a State such organization or program sponsor shall conduct such project in consultation with the area agency on aging of the planning and service area and shall submit to the State agency and the area agency on aging a description of such project to be conducted in the State, including the location of the project, 30 days prior to undertaking the project, for review and comment according to guidelines the Secretary shall issue to assure efficient and effective coordination of programs under this title.

[(2) The Secretary shall review on his own initiative or at the request of any public or private nonprofit agency or organization, or an agency of the State government, the distribution of programs under this title within the State including the distribution between urban and rural areas within the State. For each proposed reallocation of programs within a State, the Secretary shall give notice and opportunity for a hearing on the record by all interested individuals and make a written determination of his findings and decision.

[(e) Experimental projects; agreements; evaluation; reports to President and Congress; "eligible individual".

[(1) The Secretary, in addition to any other authority contained in this title, shall conduct experimental projects designed to assure second career training and the placement of eligible individuals in employment opportunities with private business concerns. The Secretary shall enter into such agreements with States, public agencies, nonprofit private organizations and private business concerns as may be necessary to conduct the experimental projects authorized by this subsection. The Secretary, from amounts reserved under section 506(a)(2)(A) in any fiscal year, may pay all of the costs of any agreements entered into under the provisions of this subsection. The Secretary shall, to the extent feasible, assure equitable geographic distribution of projects authorized by this subsection.

[(2) The Secretary shall issue, and amend from time to time, criteria designed to assure that agreements entered into under paragraph (1) of this subsection—

[(A) will involve different kinds of work modes, such as flex-time, job sharing, and other arrangements relating to reduced physical exertion;

[(B) will emphasize projects involving second careers and job placement and give consideration to placement in growth industries and in jobs reflecting new technological skills; and

[(C) require the coordination of projects carried out under such agreements, with the programs carried out under section 124 of the Job Training Partnership Act (29 U.S.C. 1534).

[(3)(A) The Secretary shall carry out an evaluation of the second career training and job placement projects authorized by this subsection.

[(B) The evaluation shall include but not be limited to the projects described in paragraph (2).

[(C) The Secretary shall prepare and submit, not later than one year after the enactment of the Older Americans Act Amendments of 1981 (enacted Dec. 29, 1981), to the Congress an interim report describing the agreements entered into under paragraph (1) and the design for the evaluation required by this paragraph. The Secretary shall prepare and submit to the President and the Congress a final report on the evaluation required by this paragraph not later than February 1, 1984, together with his findings and such recommendations, including recommendations for additional legislation, as the Secretary deems appropriate.

[(D) The Secretary shall make the final report submitted under subparagraph (C) available to interested private business concerns.

[(4) For the purpose of this subsection, "eligible individual" means any individual who is 55 years of age or older and who has an income equal to or less than the intermediate level retired couples budget as determined annually by the Bureau of Labor Statistics.]

* * * * * * *

APPENDIX

NATIONAL GOVERNORS ASSOCIATION,
June 9, 1995.

Hon. NANCY LANDON KASSEBAUM,
Chair, Labor and Human Resources Committee,
U.S. Senate, Washington, DC.

DEAR SENATOR KASSEBAUM: Thank you for the opportunity to review the draft of your Workforce Development Act of 1995. While we have some suggestions for improving it, we are encouraged by the direction of the bill and support your efforts to provide a strong foundation on which a coherent workforce development system can be created to replace the fragmented programs we have today.

As you know, Governors have sought in recent years to create unified workforce development systems through such mechanisms as Human Resource Investment Councils, unified performance management systems, and "one-stop" or "no wrong door" service delivery. Federal laws and regulations, however, have frequently stood in the way of these efforts by fragmenting authority for workforce programs and creating conflicting program goals, eligibility, and reporting requirements.

We believe that the Workforce Development Act as currently drafted would give an enormous boost to state efforts in this area by dramatically streamlining federal workforce development aid. Governors especially support the bill's emphasis on accountability for outcomes, rather than process; private sector involvement; and state flexibility to design the state system and set goals for it. We also commend you for including in your proposal vocational and adult education funds. The School-to-Work Act has enabled states to start integrating this program more closely with the rest of the workforce development system and your bill would allow us to take these efforts one step further.

While we are pleased with many aspects of the draft bill, we do have two key recommendations that we believe should be included to permit states to successfully implement this program.

Provide adequate funding that can be spent flexibly. The Governors believe that consolidation of the federal employment and training programs should be an opportunity to provide states with needed flexibility and not as a primary means to reduce the federal deficit. We urge you to recognize that current programs serve only a small fraction of their target populations. While an integrated system will result in more efficient delivery of services, those administrative savings should not be overstated. The task of integration itself, as you know, entails significant up-front costs to retrain and relocate staff and retool computer systems. With these concerns in mind, we also urge you to consider designating a portion of national reserve funds for transitional assistance for states that

have not yet implemented statewide school-to-work and one-stop systems.

In the context of reduced funding, it is imperative that states have the flexibility to design and deliver services and to determine how best to allocate funds. Your draft bill generally gives states this flexibility.

The bill would also give states the flexibility to use vouchers to deliver services and permits states to design one-stop systems. We particularly appreciate the latitude your bill gives to states to determine substate funding allocations and funding for specific populations. We believe that this flexibility is critical to creating successful systems and hope that you will resist efforts to make the bill more prescriptive as it moves forward.

Finally, with respect to the inclusion of FUTA funds in your proposal, we support the continued dedication of these funds to labor exchange and labor market information activities. We also suggest that the bill explicitly link these FUTA-funded activities to the unemployment insurance systems. We also agree with your decision to leave the existing vocational rehabilitation system intact at the federal level while enacting needed reforms to it.

Create a single state system through a single, integrated plan. Governors believe that the best way to achieve an integrated system is through a single, integrated state plan for workforce development and a single funding stream. We are strongly opposed to the 25 percent set-aside in the bill and look forward to working with you to address this issue. This plan should be written by a state workforce development partnership that includes the private sector, key state agencies, and local representation, as your bill proposes for the "flex account" funds. The plan should be submitted by the Governor. Your bill recognizes the importance of a single entity having oversight responsibilities at the federal level; we believe this is equally important at the state level.

We thank you for the opportunity to review the bill and look forward to working with you to preserve its essential components of state flexibility and clear accountability. We appreciate your many years of leadership on this issue and look forward to working with you on the legislation.

Sincerely,

Governor HOWARD DEAN, M.D.,
Chair.
Governor TOMMY G. THOMPSON,
Vice Chair.
Governor MEL CARNAHAN,
Chair, Human Resources Committee.
Governor ARNE H. CARLSON,
Vice Chair, Human Resources Committee.

○