

106TH CONGRESS  
1ST SESSION

# S. 116

To establish a training voucher system, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 19, 1999

Ms. SNOWE introduced the following bill; which was read twice and referred  
to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To establish a training voucher system, and for other  
purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Working American  
5       Training Voucher Act”.

6       **SEC. 2. DEFINITIONS.**

7       In this Act:

8               (1) GOVERNOR.—The term “Governor” means  
9       the chief executive of any State.

10              (2) PRIVATE INDUSTRY COUNCIL.—The term  
11       “private industry council” means a council nomi-

1 nated, appointed, and certified in accordance with  
2 section 103 of the Job Training Partnership Act (29  
3 U.S.C. 1513) or a local workforce investment board  
4 established in accordance with section 117 of the  
5 Workforce Investment Act of 1998 (29 U.S.C.  
6 2832).

7 (3) SECRETARY.—The term “Secretary” means  
8 the Secretary of Labor.

9 (4) SERVICE DELIVERY AREA.—The term  
10 “service delivery area” means a service delivery area  
11 designated in accordance with section 101 of the Job  
12 Training Partnership Act (29 U.S.C. 1511) or a  
13 local workforce investment area designated in ac-  
14 cordance with section 116 of the Workforce Invest-  
15 ment Act of 1998 (29 U.S.C. 2831).

16 (5) STATE.—The term “State” means any of  
17 the several States, the District of Columbia, the  
18 Commonwealth of Puerto Rico, the United States  
19 Virgin Islands, Guam, American Samoa, the Com-  
20 monwealth of the Northern Mariana Islands, the Re-  
21 public of the Marshall Islands, the Federated States  
22 of Micronesia, and the Republic of Palau.

23 (6) STATE EDUCATIONAL AGENCY.—The term  
24 “State educational agency” has the meaning given

1 such term in section 14101 of the Elementary and  
 2 Secondary Education Act of 1965 (20 U.S.C. 8801).

3 (7) TRAINING ENTITY.—The term “training en-  
 4 tity” means an administrative entity, as defined in  
 5 section 4 of the Job Training Partnership Act (29  
 6 U.S.C. 1503) or a one-step operator designated or  
 7 certified under section 121(d) of the Workforce In-  
 8 vestment Act of 1998 (29 U.S.C. 2841(d)).

9 **SEC. 2. GENERAL AUTHORITY.**

10 The Secretary shall make allotments to States that  
 11 have State plans approved under section 4 to enable the  
 12 States to assist training entities in service delivery areas  
 13 in carrying out training voucher programs under this Act.

14 **SEC. 3. ALLOTMENTS AND ALLOCATIONS.**

15 (a) ALLOTMENT.—

16 (1) TERRITORIES.—From the amount made  
 17 available under section 9 for each fiscal year, the  
 18 Secretary shall reserve not more than  $\frac{1}{4}$  of 1 per-  
 19 cent to make grants to the United States Virgin Is-  
 20 lands, Guam, American Samoa, the Commonwealth  
 21 of the Northern Mariana Islands, the Republic of  
 22 the Marshall Islands, the Federated States of Micro-  
 23 nesia, and the Republic of Palau. The Secretary  
 24 shall issue regulations specifying the requirements of

1       this Act that shall apply to funds made available  
2       through such grants.

3           (2) STATE RESERVATION.—After determining  
4       the amounts to be reserved under paragraph (1), the  
5       Secretary shall allot not less than 90 percent of the  
6       remainder to the States for allocation to service de-  
7       livery areas within each State. Each State shall allo-  
8       cate to each service delivery area within the State  
9       the amount determined by the Secretary for such  
10      service delivery area pursuant to the formula con-  
11      tained in subsection (b). The remaining 10 percent  
12      shall be used by the State in accordance with sub-  
13      section (c).

14      (b) ALLOCATION TO SERVICE DELIVERY AREAS.—

15           (1) FORMULA.—Subject to the provisions of  
16      paragraph (2), of the amounts allocated to service  
17      delivery areas for this Act for each fiscal year—

18           (A)  $33\frac{1}{3}$  percent shall be allocated on the  
19      basis of the relative number of unemployed in-  
20      dividuals in areas of substantial unemployment  
21      in each service delivery area as compared to the  
22      total number of unemployed individuals in areas  
23      of substantial unemployment in all service deliv-  
24      ery areas in all States;

1 (B)  $33\frac{1}{3}$  percent shall be allocated on the  
2 basis of the relative excess number of unem-  
3 ployed individuals in each service delivery area  
4 as compared to the total excess number of un-  
5 employed individuals in all service delivery areas  
6 in all States; and

7 (C)  $33\frac{1}{3}$  percent shall be allocated on the  
8 basis of the relative number of economically dis-  
9 advantaged adults in each service delivery area  
10 as compared to the total number of economi-  
11 cally disadvantaged adults in all service delivery  
12 areas in all States.

13 (2) LIMITATIONS.—

14 (A) MINIMUM PERCENTAGE.—No service  
15 delivery area shall receive an allocation percent-  
16 age for a fiscal year that is less than 90 percent  
17 of the allocation percentage of the service deliv-  
18 ery area for the preceding fiscal year.

19 (B) MAXIMUM PERCENTAGE.—No service  
20 delivery area shall receive an allocation percent-  
21 age for a fiscal year that is more than 130 per-  
22 cent of the allocation percentage of the service  
23 delivery area for the preceding fiscal year.

24 (C) STATE MINIMUM.—Notwithstanding  
25 subparagraphs (A) and (B), the total allocation

1 under this subsection for all service delivery  
2 areas in any State for a fiscal year shall not be  
3 less than  $\frac{1}{4}$  of 1 percent of the total allocation  
4 under this subsection for all service delivery  
5 areas in all States for the fiscal year.

6 (D) ALLOCATION PERCENTAGE.—

7 (i) IN GENERAL.—Except as provided  
8 in clause (ii), for purposes of subpara-  
9 graphs (A) and (B), the allocation percent-  
10 age of a service delivery area for a fiscal  
11 year shall be the percentage of funds allo-  
12 cated to the service delivery area under  
13 this subsection.

14 (ii) FISCAL YEAR 1999.—For purposes  
15 of subparagraphs (A) and (B), the alloca-  
16 tion percentage of a service delivery area  
17 for fiscal year 1999 shall be the percentage  
18 of funds allocated to the service delivery  
19 area under part A of title II of the Job  
20 Training Partnership Act (29 U.S.C. 1601  
21 et seq.) or paragraph (2)(A) or (3) of sec-  
22 tion 133(b) of the Workforce Investment  
23 Act of 1998 (29 U.S.C. 2863(b)).

1           (3) RECIPIENT.—The training entity in a serv-  
 2           ice delivery area shall receive each allocation made  
 3           to the area under this subsection.

4           (c) STATE ACTIVITIES.—The remaining 10 percent  
 5           of funds available for allotment to States under this part  
 6           for each fiscal year may be used for State administrative  
 7           and oversight activities.

8           (d) DEFINITIONS AND RULE.—

9           (1) DEFINITIONS.—In this section:

10           (A) AREA OF SUBSTANTIAL UNEMPLOY-  
 11           MENT.—The term “area of substantial unem-  
 12           ployment” means any area that is of sufficient  
 13           size and scope to sustain a program carried out  
 14           under this Act and that has an average rate of  
 15           unemployment of at least 6.5 percent for the  
 16           most recent 12 months, as determined by the  
 17           Secretary. For purposes of this subparagraph,  
 18           determinations of areas of substantial unem-  
 19           ployment shall be made once each fiscal year.

20           (B) ECONOMICALLY DISADVANTAGED  
 21           ADULT.—The term “economically disadvan-  
 22           taged adult” means an individual who is age 22  
 23           through 72 and who has received an income, or  
 24           is a member of a family that has received a  
 25           total family income, for the 6-month period

1 prior to application for the program involved  
2 that, in relation to family size, does not exceed  
3 the higher of—

4 (i) the poverty line (as defined by the  
5 Office of Management and Budget, and re-  
6 vised annually in accordance with section  
7 673(2) of the Omnibus Budget Reconcili-  
8 ation Act of 1981 (42 U.S.C. 9902(2)), for  
9 an equivalent period; or

10 (ii) 70 percent of the lower living  
11 standard income level, for an equivalent  
12 period.

13 (C) EXCESS NUMBER.—The term “excess  
14 number” means, with respect to the excess  
15 number of unemployed individuals in a service  
16 delivery area, the number of unemployed indi-  
17 viduals in excess of 4.5 percent of the civilian  
18 labor force in the service delivery area, or the  
19 number of unemployed individuals in excess of  
20 4.5 percent of the civilian labor force in areas  
21 of substantial unemployment in such service de-  
22 livery area.

23 (D) STATE.—The term “State” means any  
24 of the several States, the District of Columbia,  
25 and the Commonwealth of Puerto Rico.



1           (2) SPECIAL RULE.—For the purposes of this  
 2           section, the Secretary shall, as appropriate and to  
 3           the extent practicable, exclude college students and  
 4           members of the Armed Forces from the determina-  
 5           tion of the number of economically disadvantaged  
 6           adults.

7 **SEC. 4. STATE PLAN.**

8           In order for a State to receive an allotment under  
 9           this Act, the Governor of the State shall develop and sub-  
 10          mit a State plan to the Secretary at such time, in such  
 11          manner, and containing such information as the Secretary  
 12          may require. At a minimum, the State plan shall  
 13          contain—

14               (1) information describing the use of all re-  
 15               sources provided to the State and the service deliv-  
 16               ery areas in the State under this Act; and

17               (2) information identifying an entity within the  
 18               State, which may be the State educational agency,  
 19               that will certify training programs as eligible to re-  
 20               ceive vouchers under this Act.

21 **SEC. 5. LOCAL PLAN.**

22          In order for a service delivery area in a State to re-  
 23          ceive an allocation under this Act, the private industry  
 24          council for the area shall ensure the preparation, and sub-  
 25          mission to the Governor of the State, of a local plan at

1 such time, in such manner, and containing such informa-  
2 tion as the Governor may require. At a minimum, the local  
3 plan shall contain information describing the manner in  
4 which the training entity will carry out a training voucher  
5 program in the area. The local plan shall be developed,  
6 submitted, approved, and subject to oversight in accord-  
7 ance with the requirements of section 103 of the Job  
8 Training Partnership Act (29 U.S.C. 1513) or the require-  
9 ments of sections 117 and 118 of the Workforce Invest-  
10 ment Act of 1998 (29 U.S.C. 2832, 2833), for job training  
11 plans.

12 **SEC. 6. USE OF FUNDS.**

13 (a) IN GENERAL.—A training entity that receives an  
14 allocation for a service delivery area under this Act shall  
15 use the funds made available through the allocation to dis-  
16 tribute training vouchers to eligible employees, to enable  
17 the employees to participate in training programs that are  
18 certified as described in section 4(2). The training entity  
19 may not provide training programs under this Act.

20 (b) VOUCHERS.—The amount of a voucher made  
21 available under subsection (a) shall be the lesser of—

22 (1) the amount necessary to pay for such a cer-  
23 tified training program for an employee for 1 year;

24 or

25 (2) \$1000.

1       (c) ELIGIBLE EMPLOYEE.—To be eligible to apply for  
2 a training voucher in a State under this Act, an employee  
3 shall—

4           (1) be employed by an employer who has 200  
5 or fewer employees for each working day in each of  
6 20 or more calendar weeks in the current or preced-  
7 ing calendar year; or

8           (2) in the case of an employee who applies dur-  
9 ing a period for which the Governor of the State has  
10 provided a waiver under section 7(c), be employed by  
11 an employer described in such section.

12       (d) APPLICATION.—To be eligible to receive a train-  
13 ing voucher under this Act, an employee shall submit an  
14 application to the training entity at such time, in such  
15 manner, and containing such information as the entity  
16 may require. At a minimum, the application shall contain  
17 information demonstrating that the employer of the em-  
18 ployee approves of the training program for which the  
19 voucher will be used.

20 **SEC. 7. WAIVER AUTHORITY OF GOVERNOR.**

21       (a) REPORT.—Not later than the 90th day of a fiscal  
22 year, each training entity in a State shall submit to the  
23 Governor a report containing information on—

24           (1) the amount of funds that the entity has re-  
25 ceived through an allocation made under section 3

1 for the fiscal year and has obligated for activities de-  
2 scribed in this Act; and

3 (2) if the entity has not obligated all of the  
4 funds received, the reasons that a portion of the  
5 funds remains unobligated.

6 (b) DETERMINATION.—Not later than the 120th day  
7 of the fiscal year, the Governor shall determine whether  
8 to waive the requirements of section 6(c)(1) for employees  
9 in the State for the remainder of the fiscal year.

10 (c) WAIVER.—If the Governor waives the require-  
11 ments, an employee shall be eligible to apply to receive  
12 a training voucher under this Act if the employee is em-  
13 ployed by an employer who has 500 or fewer employees  
14 for each working day in each of 20 or more calendar weeks  
15 in the current or preceding calendar year.

16 **SEC. 8. REFERENCES.**

17 Any reference in this Act to the Job Training Part-  
18 nership Act (29 U.S.C. 1501 et seq.) ceases to be effective  
19 July 1, 2000, the effective date of the repeal of the Act.

20 **SEC. 9. AUTHORIZATION OF APPROPRIATIONS.**

21 There is authorized to be appropriated to carry out  
22 this Act, \$1,100,000,000 for fiscal year 2000 and each  
23 subsequent fiscal year.

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