

and was not processed through a center for displaced persons, the German government argued, he was not a stateless person eligible for the reparations which Germany agreed to pay to Holocaust survivors in the 1960's. Despite repeated attempts to get the German Government to recognize the validity of his claim, Hugo Prinz was denied the remedy he was entitled to by common decency and conscience if not by the letter of German law.

But Hugo Prinz did not survive the horrors of Maidanek, Auschwitz, and Dachau by being a quitter. He persisted in his claims against Germany, eventually suing in Federal district court in 1992. Still the years passed with no relief. But Hugo Prinz never gave up hope. His goal was not monetary compensation; rather, it was the justice which he and his family had been denied since the early days of 1942. Finally, on September 18, 1995, Hugo Prinz was offered and accepted a settlement by the Federal Republic of Germany. Fifty years after the end of World War II, 50 years after his family was torn apart with all but Hugo going to their deaths, finally, after 50 more years of being denied justice, this courageous American who has demonstrated the patience of Job received what should have been given so long ago. The settlement which Hugo has offered is not adequate compensation for what he has endured; it is a victory of the spirit not the accountant's ledger. It was too long in coming and too difficult to achieve. But it is a victory for Hugo Prinz; for his courage, his persistence, his faith, and his memories.

Each of us who have been touched by Hugo Prinz have been enriched by the contact. I hope that these recent events will bring to him at long last the peace which he has been denied all these years. I wish Hugo, his wife, Delores, and his children, Giselle, Howard, and Cheryl, all the peace and joy they so richly deserve and have waited so long to enjoy.

#### THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, the skyrocketing Federal debt, now about \$25 billion short of \$5 trillion, has been fueled for a generation by bureaucratic hot air; it is sort of like the weather, everybody has talked about it but almost nobody did much about it. That attitude began to change immediately after the elections in November 1994.

When the new 104th Congress convened this past January, the U.S. House of Representatives quickly approved a balanced budget amendment to the U.S. Constitution. On the Senate side, all but one of the 54 Republican Senators supported the balanced budget amendment.

That was the good news. The bad news was that only 13 Democrat Senators supported it, and that killed the balanced budget amendment for the time being. Since a two-thirds vote—67 Senators, if all Senators are present—

is necessary to approve a constitutional amendment, the proposed Senate amendment failed by one vote. There will be another vote during the 104th Congress.

Here is today's bad debt boxscore:

As of the close of business Friday, October 6, the Federal debt—down to the penny—stood at exactly \$4,974,778,210,422.20 or \$18,884.34 for every man, woman, and child on a per capita basis.

The PRESIDING OFFICER. Is there further morning business?

The Chair, in its capacity as a Senator from Minnesota, suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. KASSEBAUM. Mr. President, what is the order of business at this point?

#### MEASURE READ FOR THE SECOND TIME—H.R. 927

The PRESIDING OFFICER. The clerk will read the bill for a second time.

The assistant legislative clerk read as follows:

A bill (H.R. 927) to seek international sanctions against the Castro Government in Cuba, to plan for support of a transition government leading to a democratically elected government in Cuba, and for other purposes.

The PRESIDING OFFICER. Is there objection to further proceedings under the bill?

Mrs. KASSEBAUM. I object.

The PRESIDING OFFICER. Objection is heard.

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

#### WORKFORCE DEVELOPMENT ACT OF 1995

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 143, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 143) to consolidate Federal employment training programs and create a new process and structure for funding the programs, and for other purposes, which had been reported from the Committee on Labor and Human Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

##### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) *SHORT TITLE.*—This Act may be cited as the "Workforce Development Act of 1995".

(b) *TABLE OF CONTENTS.*—The table of contents is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings and purposes.

Sec. 3. Definitions.

#### TITLE I—STATEWIDE WORKFORCE DEVELOPMENT SYSTEMS

##### Subtitle A—State Provisions

Sec. 101. Statewide workforce development systems established.

Sec. 102. State allotments.

Sec. 103. State apportionment by activity.

Sec. 104. State plans.

Sec. 105. State workforce development boards.

Sec. 106. Use of funds.

##### Subtitle B—Local Provisions

Sec. 111. Local apportionment by activity.

Sec. 112. Distribution for secondary school vocational education.

Sec. 113. Distribution for postsecondary and adult vocational education.

Sec. 114. Distribution for adult education.

Sec. 115. Special rule for minimal allocation.

Sec. 116. Redistribution.

Sec. 117. Local application for workforce education activities.

Sec. 118. Local partnerships, agreements, and workforce development boards.

##### Subtitle C—Provisions for Other Entities

Sec. 121. Indian workforce development activities.

Sec. 122. Grants to outlying areas.

##### Subtitle D—General Provisions

Sec. 131. Accountability.

Sec. 132. Incentives and sanctions.

Sec. 133. Unemployment trust fund.

Sec. 134. Authorization of appropriations.

Sec. 135. Effective date.

#### TITLE II—TRANSITION PROVISIONS

##### Subtitle A—Transition Provisions Relating to Use of Federal Funds for State and Local Activities

Sec. 201. Waivers.

##### Subtitle B—Transition Provisions Relating to Applications and Plans

Sec. 211. Interim State plans.

Sec. 212. Applications and plans under covered Acts.

##### Subtitle C—Job Corps and Other Workforce Preparation Activities for At-Risk Youth

#### CHAPTER 1—GENERAL JOB CORPS PROVISIONS

Sec. 221. Purposes.

Sec. 222. Definitions.

Sec. 223. General authority.

Sec. 224. Individuals eligible for the Job Corps.

Sec. 225. Screening and selection of applicants.

Sec. 226. Enrollment and assignment.

Sec. 227. Job Corps centers.

Sec. 228. Program activities.

Sec. 229. Support.

Sec. 230. Operating plan.

Sec. 231. Standards of conduct.

Sec. 232. Community participation.

Sec. 233. Counseling and placement.

Sec. 234. Leases and sales of centers.

Sec. 235. Closure of Job Corps centers.

Sec. 236. Interim operating plans for Job Corps centers.

Sec. 237. Effective date.

#### CHAPTER 2—OTHER WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH

Sec. 241. Workforce preparation activities for at-risk youth.

##### Subtitle D—Interim Administration of School-to-Work Programs

Sec. 251. Administration of school-to-work programs.

##### Subtitle E—Amendments Relating to Certain Authorizations of Appropriations

Sec. 261. Older American Community Service Employment Act.

Sec. 262. Carl D. Perkins Vocational and Applied Technology Education Act.

Sec. 263. Adult Education Act.

#### TITLE III—NATIONAL ACTIVITIES

Sec. 301. Federal Partnership.

- Sec. 302. National assessment of vocational education programs.  
 Sec. 303. Labor market information.  
 Sec. 304. National Center for Research in Education and Workforce Development.  
 Sec. 305. Transfers to Federal Partnership.  
 Sec. 306. Transfers to other Federal agencies and offices.  
 Sec. 307. Elimination of certain offices.

#### TITLE IV—AMENDMENTS TO THE REHABILITATION ACT OF 1973

- Sec. 401. References.  
 Sec. 402. Findings and purposes.  
 Sec. 403. Consolidated rehabilitation plan.  
 Sec. 404. Definitions.  
 Sec. 405. Administration.  
 Sec. 406. Reports.  
 Sec. 407. Evaluation.  
 Sec. 408. Declaration of policy.  
 Sec. 409. State plans.  
 Sec. 410. Individualized employment plans.  
 Sec. 411. Scope of vocational rehabilitation services.  
 Sec. 412. State Rehabilitation Advisory Council.  
 Sec. 413. Evaluation standards and performance indicators.  
 Sec. 414. Repeals.  
 Sec. 415. Effective date.

#### TITLE V—OTHER PROGRAMS

##### Subtitle A—Amendments to Immigration and Nationality Act

- Sec. 501. Prohibition on use of funds for certain employment activities.

##### Subtitle B—Welfare Programs

- Sec. 511. Welfare reform.

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

- Sec. 601. Repeals.  
 Sec. 602. Conforming amendments.

#### SEC. 2. FINDINGS AND PURPOSES.

- (a) FINDINGS.—Congress finds that—  
 (1) increasing international competition, technological advances, and structural changes in the United States economy present new challenges to private businesses and public policymakers in creating a skilled workforce with the ability to adapt to change and technological progress;  
 (2) despite more than 60 years of federally funded employment training programs, the Federal Government has no single, coherent policy guiding employment training efforts;  
 (3) according to the General Accounting Office, there are over 100 federally funded employment training programs, which are administered by 15 different Federal agencies and cost more than \$20,000,000,000 annually;  
 (4) many of the programs fail to collect enough performance data to determine the relative effectiveness of each of the programs or the effectiveness of the programs as a whole;  
 (5) because of the fragmentation, duplication, and lack of accountability that currently exist within and among Federal employment training programs it is often difficult for workers, job-seekers, and businesses to easily access the services they need;  
 (6) high quality, innovative vocational education programs provide youth with skills and knowledge on which to build successful careers and, in providing the skills and knowledge, vocational education serves as the foundation of a successful workforce development system;  
 (7) in recent years, several States and communities have begun to develop promising new initiatives such as—  
 (A) school-to-work programs to better integrate youth employment and education programs; and  
 (B) one-stop systems to make workforce development activities more accessible to workers, job-seekers, and businesses; and  
 (8) Federal, State, and local governments have failed to adequately allow for private sector

leadership in designing workforce development activities that are responsive to local labor market needs.

(b) PURPOSES.—The purposes of this Act are—  
 (1) to make the United States more competitive in the world economy by eliminating the fragmentation in Federal employment training efforts and creating coherent, integrated statewide workforce development systems designed to develop more fully the academic, occupational, and literacy skills of all segments of the workforce;

(2) to ensure that all segments of the workforce will obtain the skills necessary to earn wages sufficient to maintain the highest quality of living in the world; and

(3) to promote the economic development of each State by developing a skilled workforce that is responsive to the labor market needs of the businesses of each State.

#### SEC. 3. DEFINITIONS.

As used in this Act:

(1) ADULT EDUCATION.—

(A) IN GENERAL.—The term “adult education” means services or instruction below the college level for adults who—

(i) lack sufficient education or literacy skills to enable the adults to function effectively in society; or

(ii) do not have a certificate of graduation from a school providing secondary education (as determined under State law) and who have not achieved an equivalent level of education.

(B) ADULT.—As used in subparagraph (A), the term “adult” means an individual who is age 16 or older, or beyond the age of compulsory school attendance under State law, and who is not enrolled in secondary school.

(2) AREA VOCATIONAL EDUCATION SCHOOL.—The term “area vocational education school” means—

(A) a specialized secondary school used exclusively or principally for the provision of vocational education to individuals who are available for study in preparation for entering the labor market;

(B) the department of a secondary school exclusively or principally used for providing vocational education in not fewer than 5 different occupational fields to individuals who are available for study in preparation for entering the labor market;

(C) a technical institute or vocational school used exclusively or principally for the provision of vocational education to individuals who have completed or left secondary school and who are available for study in preparation for entering the labor market, if the institute or school admits as regular students both individuals who have completed secondary school and individuals who have left secondary school; or

(D) the department or division of a junior college, community college, or university that provides vocational education in not fewer than 5 different occupational fields leading to immediate employment but not necessarily leading to a baccalaureate degree, if the department or division admits as regular students both individuals who have completed secondary school and individuals who have left secondary school.

(3) AT-RISK YOUTH.—The term “at-risk youth” means an individual who—

(A) is not less than age 15 and not more than age 24; and

(B)(i) is determined under guidelines developed by the Governing Board to be low-income, using the most recent available data provided by the Bureau of the Census, prior to the determination; or

(ii) is a dependent of a family that is determined under guidelines developed by the Governing Board to be low-income, using such data.

(4) CHIEF ELECTED OFFICIAL.—The term “chief elected official” means the chief elected officer of a unit of general local government in a sub-state area.

(5) COMMUNITY-BASED ORGANIZATION.—The term “community-based organization” means a

private nonprofit organization of demonstrated effectiveness that is representative of a community or a significant segment of a community and that provides workforce development activities.

(6) COVERED ACTIVITY.—The term “covered activity” means an activity authorized to be carried out under a provision described in section 601(b) (as such provision was in effect on the day before the date of enactment of this Act).

(7) DISLOCATED WORKER.—The term “dislocated worker” means an individual who—

(A) has been terminated from employment and is eligible for unemployment compensation;

(B) has received a notice of termination of employment as a result of any permanent closure, or any layoff of 50 or more people, at a plant, facility, or enterprise;

(C) is long-term unemployed;

(D) was self-employed (including a farmer and a rancher) but is unemployed due to local economic conditions;

(E) is a displaced homemaker; or

(F) has become unemployed as a result of a Federal action that limits the use of, or restricts access to, a marine natural resource.

(8) DISPLACED HOMEMAKER.—The term “displaced homemaker” means an individual who was a full-time homemaker for a substantial number of years, as determined under guidelines developed by the Governing Board, and who no longer receives financial support previously provided by a spouse or by public assistance.

(9) ECONOMIC DEVELOPMENT ACTIVITIES.—The term “economic development activities” means the activities described in section 106(e).

(10) EDUCATIONAL SERVICE AGENCY.—The term “educational service agency” means a regional public multiservice agency authorized by State statute to develop and manage a service or program, and provide the service or program to a local educational agency.

(11) ELEMENTARY SCHOOL; LOCAL EDUCATIONAL AGENCY; SECONDARY SCHOOL.—The terms “elementary school”, “local educational agency” and “secondary school” have the meanings given the terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(12) FEDERAL PARTNERSHIP.—The term “Federal Partnership” means the Workforce Development Partnership established in section 301.

(13) FLEXIBLE WORKFORCE ACTIVITIES.—The term “flexible workforce activities” means the activities described in section 106(d).

(14) GOVERNING BOARD.—The term “Governing Board” means the Governing Board of the Federal Partnership.

(15) INDIVIDUAL WITH A DISABILITY.—

(A) IN GENERAL.—The term “individual with a disability” means an individual with any disability (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)).

(B) INDIVIDUALS WITH DISABILITIES.—The term “individuals with disabilities” means more than 1 individual with a disability.

(16) LOCAL ENTITY.—The term “local entity” means a public or private entity responsible for local workforce development activities or workforce preparation activities for at-risk youth.

(17) LOCAL PARTNERSHIP.—The term “local partnership” means a partnership referred to in section 118(a).

(18) OLDER WORKER.—The term “older worker” means an individual who is age 55 or older and who is determined under guidelines developed by the Governing Board to be low-income, using the most recent available data provided by the Bureau of the Census, prior to the determination.

(19) OUTLYING AREA.—The term “outlying area” means the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(20) **PARTICIPANT.**—The term “participant” means an individual participating in workforce development activities or workforce preparation activities for at-risk youth, provided through a statewide system.

(21) **POSTSECONDARY EDUCATIONAL INSTITUTION.**—The term “postsecondary educational institution” means an institution of higher education, as defined in section 481(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)), that offers—

(A) a 2-year program of instruction leading to an associate’s degree or a certificate of mastery; or

(B) a 4-year program of instruction leading to a bachelor’s degree.

(22) **RAPID RESPONSE ASSISTANCE.**—The term “rapid response assistance” means workforce employment assistance provided in the case of a permanent closure, or layoff of 50 or more people, at a plant, facility, or enterprise, including the establishment of on-site contact with employers and employee representatives immediately after the State is notified of a current or projected permanent closure, or layoff of 50 or more people.

(23) **SCHOOL-TO-WORK ACTIVITIES.**—The term “school-to-work activities” means activities for youth that—

(A) integrate school-based learning and work-based learning;

(B) integrate academic and occupational learning;

(C) establish effective linkages between secondary education and postsecondary education;

(D) provide each youth participant with the opportunity to complete a career major; and

(E) provide assistance in the form of connecting activities that link each youth participant with an employer in an industry or occupation relating to the career major of the youth participant.

(24) **STATE.**—The term “State” means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

(25) **STATE BENCHMARKS.**—The term “State benchmarks”, used with respect to a State, means—

(A) the quantifiable indicators established under section 131(c) and identified in the report submitted under section 131(a); and

(B) such other quantifiable indicators of the statewide progress of the State toward meeting the State goals as the State may identify in the report submitted under section 131(a).

(26) **STATE EDUCATIONAL AGENCY.**—The term “State educational agency” means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary or secondary schools, or, if there is no such officer or agency, an officer or agency designated by the chief Governor or by State law.

(27) **STATE GOALS.**—The term “State goals”, used with respect to a State, means—

(A) the goals specified in section 131(b); and

(B) such other major goals of the statewide system of the State as the State may identify in the report submitted under section 131(a).

(28) **STATEWIDE SYSTEM.**—The term “statewide system” means a statewide workforce development system, referred to in section 101, that is designed to integrate workforce employment activities, workforce education activities, flexible workforce activities, economic development activities (in a State that is eligible to carry out such activities), vocational rehabilitation program activities, and workforce preparation activities for at-risk youth in the State in order to enhance and develop more fully the academic, occupational, and literacy skills of all segments of the population of the State and assist participants in obtaining meaningful unsubsidized employment.

(29) **SUBSTATE AREA.**—The term “substate area” means a geographic area designated by a Governor that reflects, to the extent feasible, a local labor market in a State.

(30) **TECH-PREP PROGRAM.**—The term “tech-prep program” means a program of study that—

(A) combines at least 2 years of secondary education (as determined under State law) and 2 years of postsecondary education in a non-duplicative sequence;

(B) integrates academic and vocational instruction and utilizes worksite learning where appropriate;

(C) provides technical preparation in an area such as engineering technology, applied science, a mechanical, industrial, or practical art or trade, agriculture, a health occupation, or business;

(D) builds student competence in mathematics, science, communications, and workplace skills, through applied academics and integrated instruction in a coherent sequence of courses;

(E) leads to an associate degree or a certificate in a specific career field; and

(F) leads to placement in appropriate employment or further education.

(31) **VOCATIONAL EDUCATION.**—The term “vocational education” means organized educational programs that—

(A) offer a sequence of courses that provide individuals with the academic knowledge and skills the individuals need to prepare for further education and careers in current or emerging employment sectors; and

(B) include competency-based applied learning that contributes to the academic knowledge, higher-order reasoning and problem-solving skills, work attitudes, general employability skills, and occupational-specific skills, of an individual.

(32) **VOCATIONAL REHABILITATION PROGRAM.**—The term “vocational rehabilitation program” means a program assisted under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.).

(33) **WELFARE ASSISTANCE.**—The term “welfare assistance” means a Federal, State, or local government cash payment for which eligibility is determined by need or by an income test.

(34) **WELFARE RECIPIENT.**—The term “welfare recipient” means an individual who receives welfare assistance.

(35) **WORKFORCE DEVELOPMENT ACTIVITIES.**—The term “workforce development activities” means workforce education activities, workforce employment activities, flexible workforce activities, and economic development activities (within a State that is eligible to carry out such activities).

(36) **WORKFORCE EDUCATION ACTIVITIES.**—The term “workforce education activities” means the activities described in section 106(b).

(37) **WORKFORCE EMPLOYMENT ACTIVITIES.**—The term “workforce employment activities” means the activities described in paragraphs (2) through (8) of section 106(a), including activities described in section 106(a)(6) provided through a voucher described in section 106(a)(9).

(38) **WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH.**—The term “workforce preparation activities for at-risk youth” means the activities described in section 241(b), carried out for at-risk youth.

## **TITLE I—STATEWIDE WORK-FORCE DEVELOPMENT SYSTEMS**

### **Subtitle A—State Provisions**

#### **SEC. 101. STATEWIDE WORKFORCE DEVELOPMENT SYSTEMS ESTABLISHED.**

For program year 1998 and each subsequent program year, the Governing Board shall make allotments under section 102 to States to assist the States in paying for the cost of establishing and carrying out activities through statewide workforce development systems, in accordance with this title.

#### **SEC. 102. STATE ALLOTMENTS.**

(a) **IN GENERAL.**—The Governing Board shall allot to each State with a State plan approved under section 104 an amount equal to the total of the amounts made available under subparagraphs (A), (B), (C), and (D) of subsection (b)(2), adjusted in accordance with subsection (c).

(b) **ALLOTMENTS BASED ON POPULATIONS.**—

(1) **DEFINITIONS.**—As used in this subsection:

(A) **ADULT RECIPIENT OF AID TO FAMILIES WITH DEPENDENT CHILDREN.**—The term “adult recipient of aid to families with dependent children” means a recipient of aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) who is not a dependent child (as defined in section 406(a) of such Act (42 U.S.C. 606(a))).

(B) **INDIVIDUAL IN POVERTY.**—The term “individual in poverty” means an individual who—

(i) is not less than age 18;

(ii) is not more than age 64; and

(iii) is a member of a family (of 1 or more members) with an income at or below the poverty line.

(C) **POVERTY LINE.**—The term “poverty line” means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty used by the Bureau of the Census in compiling the 1990 decennial census.

(2) **CALCULATION.**—Except as provided in subsection (c), from the amount reserved under section 134(b)(1), the Governing Board—

(A) using funds equal to 60 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals who are not less than 15 and not more than 65 (as determined by the Governing Board using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in the State bears to the total number of such individuals in all States;

(B) using funds equal to 10 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in all States;

(C) using funds equal to 10 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in all States; and

(D) using funds equal to 20 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the average monthly number of adult recipients of aid to families with dependent children (as determined by the Secretary of Health and Human Services for the most recent 12-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average monthly number of adult recipients of aid to families with dependent children (as so determined) in all States.

(c) **ADJUSTMENTS.**—

(1) **DEFINITION.**—As used in this subsection, the term “national average per capita payment”, used with respect to a program year, means the amount obtained by dividing—

(A) the total amount allotted to all States under this section for the program year; by

(B) the total number of individuals who are not less than 15 and not more than 65 (as determined by the Governing Board using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in all States.

(2) **MINIMUM ALLOTMENT.**—Except as provided in paragraph (3), no State with a State plan approved under section 104 for a program year

shall receive an allotment under this section for the program year in an amount that is less than 0.5 percent of the amount reserved under section 134(b)(1) for the program year.

(3) **LIMITATION.**—No State that receives an increase in an allotment under this section for a program year as a result of the application of paragraph (2) shall receive an allotment under this section for the program year in an amount that is more than the product obtained by multiplying—

(A) the total number of individuals who are not less than 15 and not more than 65 (as determined by the Governing Board using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in the State; and

(B) the product obtained by multiplying—

(i) 1.3; and  
(ii) the national average per capita payment for the program year.

#### **SEC. 103. STATE APPORTIONMENT BY ACTIVITY.**

(a) **ACTIVITIES.**—From the sum of the funds made available to a State through an allotment received under section 102 and the funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) to carry out this Act for a program year—

(1) a portion equal to 25 percent of such sum (which portion shall include the amount allotted to the State from funds made available under section 901(c)(1)(A) of the Social Security Act) shall be made available for workforce employment activities;

(2) a portion equal to 25 percent of such sum shall be made available for workforce education activities; and

(3) a portion (referred to in this Act as the “flex account”) equal to 50 percent of such sum shall be made available for flexible workforce activities.

(b) **RECIPIENTS.**—In making an allotment under section 102 to a State, the Governing Board shall make a payment—

(1) to the Governor of the State for the portion described in subsection (a)(1), and such part of the flex account as the Governor may be eligible to receive, as determined under the State plan of the State submitted under section 104; and

(2) to the State educational agency of the State for the portion described in subsection (a)(2), and such part of the flex account as the State educational agency may be eligible to receive, as determined under the State plan of the State submitted under section 104.

#### **SEC. 104. STATE PLANS.**

(a) **IN GENERAL.**—For a State to be eligible to receive an allotment under section 102, the Governor of the State shall submit to the Governing Board, and obtain approval of, a single comprehensive State workforce development plan (referred to in this section as a “State plan”), outlining a 3-year strategy for the statewide system of the State.

(b) **PARTS.**—

(1) **IN GENERAL.**—The State plan shall contain 3 parts.

(2) **STRATEGIC PLAN AND FLEXIBLE WORKFORCE ACTIVITIES.**—The first part of the State plan shall describe a strategic plan for the statewide system, including the flexible workforce activities, and, if appropriate, economic development activities, that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The Governor shall develop the first part of the State plan, using procedures that are consistent with the procedures described in subsection (d).

(3) **WORKFORCE EMPLOYMENT ACTIVITIES.**—The second part of the State plan shall describe the workforce employment activities that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The Governor shall develop the second part of the State plan.

(4) **WORKFORCE EDUCATION ACTIVITIES.**—The third part of the State plan shall describe the

workforce education activities that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The State educational agency of the State shall develop the third part of the State plan.

(c) **CONTENTS OF THE PLAN.**—The State plan shall include—

(1) with respect to the strategic plan for the statewide system—

(A) information describing how the State will identify the current and future workforce development needs of the industry sectors most important to the economic competitiveness of the State;

(B) information describing how the State will identify the current and future workforce development needs of all segments of the population of the State;

(C) information identifying the State goals and State benchmarks and how the goals and benchmarks will make the statewide system relevant and responsive to labor market and education needs at the local level;

(D) information describing how the State will coordinate workforce development activities to meet the State goals and reach the State benchmarks;

(E) information describing the allocation within the State of the funds made available through the flex account for the State, and how the flexible workforce activities, including school-to-work activities, to be carried out with such funds will be carried out to meet the State goals and reach the State benchmarks;

(F) information identifying how the State will obtain the active and continuous participation of business, industry, and labor in the development and continuous improvement of the statewide system;

(G) information identifying 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 workforce development activities, and expand the participation of business, industry, labor, and individuals in the statewide system;

(H) information describing how the State will eliminate duplication in the administration and delivery of services under this Act;

(I) information describing the process the State will use to independently evaluate and continuously improve the performance of the statewide system, on a yearly basis, including the development of specific performance indicators to measure progress toward meeting the State goals;

(J) an assurance that the funds made available under this title will supplement and not supplant other public funds expended to provide workforce development activities;

(K) information identifying the steps that the State will take over the 3 years covered by the plan to establish common data collection and reporting requirements for workforce development activities and vocational rehabilitation program activities;

(L) with respect to economic development activities, information—

(i) describing the activities to be carried out with the funds made available under this title;

(ii) describing how the activities will lead directly to increased earnings of nonmanagerial employees in the State; and

(iii) describing whether the labor organization, if any, representing the nonmanagerial employees supports the activities;

(M) the description referred to in subsection (d)(1); and

(N)(i) information demonstrating the support of individuals and entities described in subsection (d)(1) for the plan; or

(ii) in a case in which the Governor is unable to obtain the support of such individuals and entities as provided in subsection (d)(2), the comments referred to in subsection (d)(2)(B),

(2) with respect to workforce employment activities, information—

(A)(i) identifying and designating substate areas, including urban and rural areas, to which funds received through the allotment will be distributed, which areas shall, to the extent feasible, reflect local labor market areas; or

(ii) stating that the State will be treated as a substate area for purposes of the application of this title, if the State receives an increase in an allotment under section 102 for a program year as a result of the application of section 102(c)(2); and

(B) describing the basic features of one-stop delivery of core services described in section 106(a)(2) in the State, including information regarding—

(i) the strategy of the State for developing fully operational one-stop delivery of core services described in section 106(a)(2);

(ii) the time frame for achieving the strategy;

(iii) the estimated cost for achieving the strategy;

(iv) the steps that the State will take over the 3 years covered by the plan to provide individuals with access to one-stop delivery of core services described in section 106(a)(2);

(v) the steps that the State will take over the 3 years covered by the plan to provide information through the one-stop delivery to individuals on the quality of workforce employment activities, workforce education activities, and vocational rehabilitation program activities, provided through the statewide system;

(vi) the steps that the State will take over the 3 years covered by the plan to link services provided through the one-stop delivery with services provided through State welfare agencies; and

(vii) in a case in which the State chooses to use vouchers to deliver workforce employment activities, the steps that the State will take over the 3 years covered by the plan to comply with the requirements in section 106(a)(9) and the information required in such section;

(C) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce employment activities;

(D) describing the workforce employment activities to be carried out with funds received through the allotment;

(E) describing the steps that the State will take over the 3 years covered by the plan to establish a statewide comprehensive labor market information system described in section 303(c) that will be utilized by all the providers of one-stop delivery of core services described in section 106(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State;

(F) describing the steps that the State will take over the 3 years covered by the plan to establish a job placement accountability system described in section 131(d); and

(G)(i) describing the steps that the State will take to segregate the amount allotted to the State from funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) from the remainder of the portion described in section 103(a)(1); and

(ii) describing how the State will use the amount allotted to the State from funds made available under such section 901(c)(1)(A) to carry out—

(I) the required activities described in clauses (ii) through (v) of section 106(a)(2)(B) and section 303; and

(II) any permissive activities carried out by the State that consist of—

(aa) the evaluation of programs provided through the statewide system of the State;

(bb) the provision of services through the statewide system for workers who have received notice of permanent or impending layoff, or workers in occupations that are experiencing limited demand due to technological change, the impact of imports, or plant closures; or

(cc) the administration of the work test for the State unemployment compensation system and

provision of job finding and placement services for unemployment insurance claimants; and

(3) with respect to workforce education activities, information—

(A) describing how funds received through the allotment will be allocated among—

(i) secondary school vocational education, or postsecondary and adult vocational education, or both; and

(ii) adult education;

(B) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce education activities;

(C) describing the workforce education activities that will be carried out with funds received through the allotment;

(D) describing how the State will address the adult education needs of the State;

(E) describing how the State will disaggregate data relating to at-risk youth in order to adequately measure the progress of at-risk youth toward accomplishing the results measured by the State goals, and the State benchmarks;

(F) describing how the State will adequately address the needs of both at-risk youth who are in school, and out-of-school youth, in alternative education programs that teach to the same challenging academic, occupational, and skill proficiencies as are provided for in-school youth;

(G) describing how the workforce education activities described in the State plan and the State allocation of funds received through the allotment for such activities are an integral part of comprehensive efforts of the State to improve education for all students and adults;

(H) describing how the State will annually evaluate the effectiveness of the State plan with respect to workforce education activities;

(I) describing how the State will address the professional development needs of the State with respect to workforce education activities;

(J) describing how the State will provide local educational agencies in the State with technical assistance; and

(K) describing how the State will assess the progress of the State in implementing student performance measures.

(d) PROCEDURE FOR DEVELOPMENT OF PART OF PLAN RELATING TO STRATEGIC PLAN.—

(1) DESCRIPTION OF DEVELOPMENT.—The part of the State plan relating to the strategic plan shall include a description of the manner in which—

(A) the Governor;

(B) the State educational agency;

(C) representatives of business and industry, including representatives of key industry sectors, and of small- and medium-size and large employers, in the State;

(D) representatives of labor and workers;

(E) local elected officials from throughout the State;

(F) the State agency officials responsible for vocational education;

(G) the State agency officials responsible for postsecondary education;

(H) the State agency officials responsible for adult education;

(I) the State agency officials responsible for vocational rehabilitation;

(J) such other State agency officials, including officials responsible for economic development and employment, as the Governor may designate;

(K) representatives of elected officials of tribal governments;

(L) the representative of the Veterans' Employment Training Service assigned to the State under section 4103 of title 38, United States Code; and

(M) other appropriate officials, including members of the State workforce development board described in section 105, if the State has established such a board;

collaborated in the development of such part of the plan.

(2) FAILURE TO OBTAIN SUPPORT.—If, after a reasonable effort, the Governor is unable to obtain the support of the individuals and entities described in paragraph (1) for the strategic plan the Governor shall—

(A) provide such individuals and entities with copies of the strategic plan;

(B) allow such individuals and entities to submit to the Governor, not later than the end of the 30-day period beginning on the date on which the Governor provides such individuals and entities with copies of such plan under subparagraph (A), comments on such plan; and

(C) include any such comments in such plan.

(e) APPROVAL.—The Governing Board shall approve a State plan if the Governing Board—

(1) determines that the plan contains the information described in subsection (c);

(2) determines that the State has prepared the plan in accordance with the requirements of this section, including the requirements relating to development of any part of the plan; and

(3) has negotiated State benchmarks with the State in accordance with section 131(c).

(f) NO ENTITLEMENT TO A SERVICE.—Nothing in this Act shall be construed to provide any individual with an entitlement to a service provided under this Act.

#### SEC. 105. STATE WORKFORCE DEVELOPMENT BOARDS.

(a) ESTABLISHMENT.—A Governor of a State that receives an allotment under section 102 may establish a State workforce development board—

(1) on which a majority of the members are representatives of business and industry;

(2) on which not less than 25 percent of the members shall be representatives of labor, workers, and community-based organizations;

(3) that shall include representatives of veterans;

(4) that shall include a representative of the State educational agency and a representative from the State agency responsible for vocational rehabilitation;

(5) that may include any other individual or entity that participates in the collaboration described in section 104(d)(1); and

(6) that may include any other individual or entity the Governor may designate.

(b) CHAIRPERSON.—The State workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(c) FUNCTIONS.—The functions of the State workforce development board shall include—

(1) advising the Governor on the development of the statewide system, the State plan described in section 104, and the State goals and State benchmarks;

(2) assisting in the development of specific performance indicators to measure progress toward meeting the State goals and reaching the State benchmarks and providing guidance on how such progress may be improved;

(3) serving as a link between business, industry, labor, and the statewide system;

(4) assisting the Governor in preparing the annual report to the Governing Board regarding progress in reaching the State benchmarks, as described in section 131(a);

(5) receiving and commenting on the State plan developed under section 101 of the Rehabilitation Act of 1973 (29 U.S.C. 721);

(6) assisting the Governor in developing the statewide comprehensive labor market information system described in section 303(c) to provide information that will be utilized by all the providers of one-stop delivery of core services described in section 106(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State; and

(7) assisting in the monitoring and continuous improvement of the performance of the statewide system, including evaluation of the effectiveness of workforce development activities funded under this Act.

#### SEC. 106. USE OF FUNDS.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—Funds made available to a State under this title to carry out workforce employment activities through a statewide system—

(A) shall be used to carry out the activities described in paragraphs (2), (3), and (4); and

(B) may be used to carry out the activities described in paragraphs (5), (6), (7), and (8), including providing activities described in paragraph (6) through vouchers described in paragraph (9).

(2) ONE-STOP DELIVERY OF CORE SERVICES.—

(A) ACCESS.—The State shall use a portion of the funds described in paragraph (1) to establish a means of providing access to the statewide system through core services described in subparagraph (B) available—

(i) through multiple, connected access points, linked electronically or otherwise;

(ii) through a network that assures participants that such core services will be available regardless of where the participants initially enter the statewide system;

(iii) at not less than 1 physical location in each substate area of the State; or

(iv) through some combination of the options described in clauses (i), (ii), and (iii).

(B) CORE SERVICES.—The core services referred to in subparagraph (A) shall, at a minimum, include—

(i) outreach, intake, and orientation to the information and other services available through one-stop delivery of core services described in this subparagraph;

(ii) initial assessment of skill levels, aptitudes, abilities, and supportive service needs;

(iii) job search and placement assistance and, where appropriate, career counseling;

(iv) customized screening and referral of qualified applicants to employment;

(v) provision of accurate information relating to local labor market conditions, including employment profiles of growth industries and occupations within a substate area, the educational and skills requirements of jobs in the industries and occupations, and the earnings potential of the jobs;

(vi) provision of accurate information relating to the quality and availability of other workforce employment activities, workforce education activities, and vocational rehabilitation program activities;

(vii) provision of information regarding how the substate area is performing on the State benchmarks;

(viii) provision of initial eligibility information on forms of public financial assistance that may be available in order to enable persons to participate in workforce employment activities, workforce education activities, or vocational rehabilitation program activities; and

(ix) referral to other appropriate workforce employment activities, workforce education activities, and vocational rehabilitation employment activities.

(3) LABOR MARKET INFORMATION SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a statewide comprehensive labor market information system described in section 303(c).

(4) JOB PLACEMENT ACCOUNTABILITY SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a job placement accountability system described in section 131(d).

(5) PERMISSIBLE ONE-STOP DELIVERY ACTIVITIES.—The State may provide, through one-stop delivery—

(A) co-location of services related to workforce development activities, such as unemployment insurance, vocational rehabilitation program activities, welfare assistance, veterans' employment services, or other public assistance;

(B) intensive services for participants who are unable to obtain employment through the core services described in paragraph (2)(B), as determined by the State; and

(C) dissemination to employers of information on activities carried out through the statewide system.

(6) **OTHER PERMISSIBLE ACTIVITIES.**—The State may use a portion of the funds described in paragraph (1) to provide services through the statewide system that may include—

- (A) on-the-job training;
- (B) occupational skills training;
- (C) entrepreneurial training;
- (D) training to develop work habits to help individuals obtain and retain employment;
- (E) customized training conducted with a commitment by an employer or group of employers to employ an individual after successful completion of the training;
- (F) rapid response assistance for dislocated workers;
- (G) skill upgrading and retraining for persons not in the workforce;
- (H) preemployment and work maturity skills training for youth;
- (I) connecting activities that organize consortia of small- and medium-size businesses to provide work-based learning opportunities for youth participants in school-to-work programs;
- (J) programs for adults that combine work-place training with related instruction;
- (K) services to assist individuals in attaining certificates of mastery with respect to industry-based skill standards;
- (L) case management services;
- (M) supportive services, such as transportation and financial assistance, that enable individuals to participate in the statewide system; and

(N) followup services for participants who are placed in unsubsidized employment.

(7) **STAFF DEVELOPMENT AND TRAINING.**—The State may use a portion of the funds described in paragraph (1) for the development and training of staff of providers of one-stop delivery of core services described in paragraph (2), including development and training relating to principles of quality management.

(8) **INCENTIVE GRANT AWARDS.**—The State may use a portion of the funds described in paragraph (1) to award incentive grants to substate areas that reach or exceed the State benchmarks established under section 131(c), with an emphasis on benchmarks established under section 131(c)(3). A substate area that receives such a grant may use the funds made available through the grant to carry out any workforce development activities authorized under this Act.

(9) **VOUCHERS.**—

(A) **IN GENERAL.**—A State may deliver some or all of the workforce employment activities described in paragraph (6) that are provided under this title through a system of vouchers administered through the one-stop delivery of core services described in paragraph (2) in the State.

(B) **ELIGIBILITY REQUIREMENTS.**—

(i) **IN GENERAL.**—A State that chooses to deliver the activities described in subparagraph (A) through vouchers shall indicate in the State plan described in section 104 the criteria that will be used to determine—

- (I) which workforce employment activities described in paragraph (6) will be delivered through the voucher system;
- (II) eligibility requirements for participants to receive the vouchers and the amount of funds that participants will be able to access through the voucher system; and
- (III) which employment, training, and education providers are eligible to receive payment through the vouchers.

(ii) **CONSIDERATIONS.**—In establishing State criteria for service providers eligible to receive payment through the vouchers under clause (i)(III), the State shall take into account industry-recognized skills standards promoted by the National Skills Standards Board.

(C) **ACCOUNTABILITY REQUIREMENTS.**—A State that chooses to deliver the activities described in paragraph (6) through vouchers shall indicate in the State plan—

- (i) information concerning how the State will utilize the statewide comprehensive labor market information system described in section 303(c) and the job placement accountability system established under section 131(d) to provide timely

and accurate information to participants about the performance of eligible employment, training, and education providers;

(ii) other information about the performance of eligible providers of services that the State believes is necessary for participants receiving the vouchers to make informed career choices; and

(iii) the timeframe in which the information developed under clauses (i) and (ii) will be widely available through the one-stop delivery of core services described in paragraph (2) in the State.

(b) **WORKFORCE EDUCATION ACTIVITIES.**—The State educational agency shall use the funds made available to the State educational agency under this title for workforce education activities to carry out, through the statewide system, activities that include—

(1) integrating academic and vocational education;

(2) linking secondary education (as determined under State law) and postsecondary education, including implementing tech-prep programs;

(3) providing career guidance and counseling for students at the earliest possible age, including the provision of career awareness, exploration, and guidance information to students and their parents that is, to the extent possible, in a language and form that the students and their parents understand;

(4) providing literacy and basic education services for adults and out-of-school youth, including adults and out-of-school youth in correctional institutions;

(5) providing programs for adults and out-of-school youth to complete their secondary education;

(6) expanding, improving, and modernizing quality vocational education programs; and

(7) improving access to quality vocational education programs for at-risk youth.

(c) **FISCAL REQUIREMENTS FOR WORKFORCE EDUCATION ACTIVITIES.**—

(1) **SUPPLEMENT NOT SUPPLANT.**—Funds made available under this title for workforce education activities shall supplement, and may not supplant, other public funds expended to carry out workforce education activities.

(2) **MAINTENANCE OF EFFORT.**—

(A) **DETERMINATION.**—No payments shall be made under this title for any program year to a State for workforce education activities unless the Governing Board determines that the fiscal effort per student or the aggregate expenditures of such State for workforce education for the program year preceding the program year for which the determination is made, equaled or exceeded such effort or expenditures for workforce education for the second program year preceding the fiscal year for which the determination is made.

(B) **WAIVER.**—The Governing Board may waive the requirements of this section (with respect to not more than 5 percent of expenditures by any State educational agency) for 1 program year only, on making a determination that such waiver would be equitable due to exceptional or uncontrollable circumstances affecting the ability of the applicant to meet such requirements, such as a natural disaster or an unforeseen and precipitous decline in financial resources. No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort or aggregate expenditures required under this section for years subsequent to the year covered by such waiver. The fiscal effort or aggregate expenditures for the subsequent years shall be computed on the basis of the level of funding that would, but for such waiver, have been required.

(d) **FLEXIBLE WORKFORCE ACTIVITIES.**—

(1) **CORE FLEXIBLE WORKFORCE ACTIVITIES.**—The State shall use a portion of the funds made available to the State under this title through the flex account to carry out school-to-work activities through the statewide system, except that any State that received a grant under subtitle B of title II of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6141 et seq.) shall

use such portion to support the continued development of the statewide School-to-Work Opportunities system of the State through the continuation of activities that are carried out in accordance with the terms of such grant.

(2) **PERMISSIBLE FLEXIBLE WORKFORCE ACTIVITIES.**—The State may use a portion of the funds made available to the State under this title through the flex account—

(A) to carry out workforce employment activities through the statewide system; and

(B) to carry out workforce education activities through the statewide system.

(e) **ECONOMIC DEVELOPMENT ACTIVITIES.**—In the case of a State that meets the requirements of section 118(c), the State may use a portion of the funds made available to the State under this title through the flex account to supplement other funds provided by the State or private sector—

(1) to provide customized assessments of the skills of workers and an analysis of the skill needs of employers;

(2) to assist consortia of small- and medium-size employers in upgrading the skills of their workforces;

(3) to provide productivity and quality improvement training programs for the workforces of small- and medium-size employers;

(4) to provide recognition and use of voluntary industry-developed skills standards by employers, schools, and training institutions;

(5) to carry out training activities in companies that are developing modernization plans in conjunction with State industrial extension service offices; and

(6) to provide on-site, industry-specific training programs supportive of industrial and economic development; through the statewide system.

(f) **LIMITATIONS.**—

(1) **WAGES.**—No funds provided under this title shall be used to pay the wages of incumbent workers during their participation in economic development activities provided through the statewide system.

(2) **RELOCATION.**—No funds provided under this title shall be used or proposed for use to encourage or induce the relocation, of a business or part of a business, that results in a loss of employment for any employee of such business at the original location.

(3) **TRAINING AND ASSESSMENTS FOLLOWING RELOCATION.**—No funds provided under this title shall be used for customized or skill training, on-the-job training, or company specific assessments of job applicants or workers, for any business or part of a business, that has relocated, until 120 days after the date on which such business commences operations at the new location, if the relocation of such business or part of a business, results in a loss of employment for any worker of such business at the original location.

(g) **LIMITATIONS ON PARTICIPANTS.**—

(1) **DIPLOMA OR EQUIVALENT.**—

(A) **IN GENERAL.**—No individual may participate in workforce employment activities described in subparagraph (A), (B), (C), (E), (G), (J), or (K) of section 106(a)(6) until the individual has obtained a secondary school diploma or its recognized equivalent, or is enrolled in a program or course of study to obtain a secondary school diploma or its recognized equivalent.

(B) **EXCEPTION.**—Nothing in subparagraph (A) shall prevent participation in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of section 106(a)(6) by individuals who, after testing and in the judgment of medical, psychiatric, academic, or other appropriate professionals, lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.



## (2) SERVICES.—

(A) REFERRAL.—If an individual who has not obtained a secondary school diploma or its recognized equivalent applies to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of section 106(a)(6), such individual shall be referred to State approved adult education services that provide instruction designed to help such individual obtain a secondary school diploma or its recognized equivalent.

(B) STATE PROVISION OF SERVICES.—Notwithstanding any other provision of this Act, a State may use funds made available under section 103(a)(1) to provide State approved adult education services that provide instruction designed to help individuals obtain a secondary school diploma or its recognized equivalent, to individuals who—

(i) are seeking to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of section 106(a)(6); and

(ii) are otherwise unable to obtain such services.

**Subtitle B—Local Provisions****SEC. 111. LOCAL APPORTIONMENT BY ACTIVITY.**

## (a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (1) and (3) of section 103(a) for workforce employment activities shall be made available to the Governor of such State for use in accordance with paragraph (2).

(2) DISTRIBUTION.—Of the sum described in paragraph (1), for a program year—

(A) 25 percent shall be reserved by the Governor to carry out workforce employment activities through the statewide system; and

(B) 75 percent shall be distributed by the Governor to local entities to carry out workforce employment activities through the statewide system, based on—

(i) such factors as the relative distribution among substate areas of individuals who are not less than 15 and not more than 65, individuals in poverty, unemployed individuals, and adult recipients of aid to families with dependent children, as determined using the definitions specified and the determinations described in section 102(b); and

(ii) such additional factors as the Governor (in consultation with local partnerships described in section 118(a) or, where established, local workforce development boards described in section 118(b)), determines to be necessary.

## (b) WORKFORCE EDUCATION ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (2) and (3) of section 103(a) for workforce education activities shall be made available to the State educational agency serving such State for use in accordance with paragraph (2).

(2) DISTRIBUTION.—Of the sum described in paragraph (1), for a program year—

(A) 20 percent shall be reserved by the State educational agency to carry out statewide workforce education activities through the statewide system, of which not more than 5 percent of such 20 percent may be used for administrative expenses; and

(B) 80 percent shall be distributed by the State educational agency to entities eligible for financial assistance under section 112, 113, or 114, to carry out workforce education activities through the statewide system.

(3) STATE DETERMINATIONS.—From the amount available to a State educational agency under paragraph (2)(B) for a program year, such agency shall determine the percentage of such amount that will be distributed in accordance with sections 112, 113, and 114 for such year for workforce education activities in such State in each of the following areas:

(A) Secondary school vocational education, or postsecondary and adult vocational education, or both; and

## (B) Adult education.

(C) SPECIAL RULE.—Nothing in this title shall be construed to prohibit any individual or agency in a State (other than the State educational agency) that is administering workforce education activities on the day preceding the date of enactment of this Act from continuing to administer such activities under this title.

**SEC. 112. DISTRIBUTION FOR SECONDARY SCHOOL VOCATIONAL EDUCATION.**

(a) ALLOCATION.—Except as otherwise provided in this section and section 115, each State educational agency shall distribute the portion of the funds made available for any program year (from funds made available for the corresponding fiscal year, as determined under section 134(c)) by such agency for secondary school vocational education under section 111(b)(3)(A) to local educational agencies within the State as follows:

(1) SEVENTY PERCENT.—From 70 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 70 percent as the amount such local educational agency was allocated under section 1124 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333) for the preceding fiscal year bears to the total amount received under such section by all local educational agencies in the State for such year.

(2) TWENTY PERCENT.—From 20 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 20 percent as the number of students with disabilities who have individualized education programs under section 614(a)(5) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(a)(5)) served by such local educational agency for the preceding fiscal year bears to the total number of such students served by all local educational agencies in the State for such year.

(3) TEN PERCENT.—From 10 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 10 percent as the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of such local educational agency for the preceding fiscal year bears to the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of all local educational agencies in the State for such year.

## (b) MINIMUM ALLOCATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), no local educational agency shall receive an allocation under subsection (a) unless the amount allocated to such agency under subsection (a) is not less than \$15,000. A local educational agency may enter into a consortium with other local educational agencies for purposes of meeting the minimum allocation requirement of this paragraph.

(2) WAIVER.—The State educational agency may waive the application of paragraph (1) in any case in which the local educational agency—

(A) is located in a rural, sparsely-populated area; and

(B) demonstrates that such agency is unable to enter into a consortium for purposes of providing services under this section.

(3) REDISTRIBUTION.—Any amounts that are not allocated by reason of paragraph (1) or (2) shall be redistributed to local educational agencies that meet the requirements of paragraph (1) or (2) in accordance with the provisions of this section.

## (c) LIMITED JURISDICTION AGENCIES.—

(1) IN GENERAL.—In applying the provisions of subsection (a), no State educational agency receiving assistance under this title shall allocate funds to a local educational agency that serves only elementary schools, but shall distribute such funds to the local educational agency or regional educational agency that provides secondary school services to secondary school students in the same attendance area.

(2) SPECIAL RULE.—The amount to be allocated under paragraph (1) to a local educational agency that has jurisdiction only over secondary schools shall be determined based on the number of students that entered such secondary schools in the previous year from the elementary schools involved.

## (d) ALLOCATIONS TO AREA VOCATIONAL EDUCATION SCHOOLS AND EDUCATIONAL SERVICE AGENCIES.—

(1) IN GENERAL.—Each State educational agency shall distribute the portion of funds made available for any program year by such agency for secondary school vocational education under section 111(b)(3)(A) to the appropriate area vocational education school or educational service agency in any case in which—

(A) the area vocational education school or educational service agency, and the local educational agency concerned—

(i) have formed or will form a consortium for the purpose of receiving funds under this section; or

(ii) have entered into or will enter into a cooperative arrangement for such purpose; and

(B)(i) the area vocational education school or educational service agency serves an approximately equal or greater proportion of students who are individuals with disabilities or are low-income than the proportion of such students attending the secondary schools under the jurisdiction of all of the local educational agencies sending students to the area vocational education school or the educational service agency; or

(ii) the area vocational education school, educational service agency, or local educational agency demonstrates that the vocational education school or educational service agency is unable to meet the criterion described in clause (i) due to the lack of interest by students described in clause (i) in attending vocational education programs in that area vocational education school or educational service agency.

(2) ALLOCATION BASIS.—If an area vocational education school or educational service agency meets the requirements of paragraph (1), then—

(A) the amount that will otherwise be distributed to the local educational agency under this section shall be allocated to the area vocational education school, the educational service agency, and the local educational agency, based on each school's or agency's relative share of students described in paragraph (1)(B)(i) who are attending vocational education programs (based, if practicable, on the average enrollment for the prior 3 years); or

(B) such amount may be allocated on the basis of an agreement between the local educational agency and the area vocational education school or educational service agency.

## (3) STATE DETERMINATION.—

(A) IN GENERAL.—For the purposes of this subsection, the State educational agency may determine the number of students who are low-income on the basis of—

## (i) eligibility for—

(I) free or reduced-price meals under the National School Lunch Act (7 U.S.C. 1751 et seq.);

(II) the program for aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(III) benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); or

(IV) services under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.); and

(ii) another index of economic status, including an estimate of such index, if the State educational agency demonstrates to the satisfaction of the Governing Board that such index is a more representative means of determining such number.

(B) DATA.—If a State educational agency elects to use more than 1 factor described in subparagraph (A) for purposes of making the determination described in such subparagraph, the State educational agency shall ensure that the data used is not duplicative.

(4) **APPEALS PROCEDURE.**—The State educational agency shall establish an appeals procedure for resolution of any dispute arising between a local educational agency and an area vocational education school or an educational service agency with respect to the allocation procedures described in this section, including the decision of a local educational agency to leave a consortium.

(5) **SPECIAL RULE.**—Notwithstanding the provisions of paragraphs (1), (2), (3), and (4), any local educational agency receiving an allocation that is not sufficient to conduct a secondary school vocational education program of sufficient size, scope, and quality to be effective may—

(A) form a consortium or enter into a cooperative agreement with an area vocational education school or educational service agency offering secondary school vocational education programs of sufficient size, scope, and quality to be effective and that are accessible to students who are individuals with disabilities or are low-income, and are served by such local educational agency; and

(B) transfer such allocation to the area vocational education school or educational service agency.

(e) **SPECIAL RULE.**—Each State educational agency distributing funds under this section shall treat a secondary school funded by the Bureau of Indian Affairs within the State as if such school were a local educational agency within the State for the purpose of receiving a distribution under this section.

#### **SEC. 113. DISTRIBUTION FOR POSTSECONDARY AND ADULT VOCATIONAL EDUCATION.**

(a) **ALLOCATION.**—

(1) **IN GENERAL.**—Except as provided in subsection (b) and section 115, each State educational agency, using the portion of the funds made available for any program year by such agency for postsecondary and adult vocational education under section 111(b)(3)(A)—

(A) shall reserve funds to carry out subsection (d); and

(B) shall distribute the remainder to eligible institutions or consortia of the institutions within the State.

(2) **FORMULA.**—Each such eligible institution or consortium shall receive an amount for the program year (from funds made available for the corresponding fiscal year, as determined under section 134(c)) from such remainder bears the same relationship to such remainder as the number of individuals who are Pell Grant recipients or recipients of assistance from the Bureau of Indian Affairs and are enrolled in programs offered by such institution or consortium for the preceding fiscal year bears to the number of all such individuals who are enrolled in any such program within the State for such preceding year.

(3) **CONSORTIUM REQUIREMENTS.**—In order for a consortium of eligible institutions described in paragraph (1) to receive assistance pursuant to such paragraph such consortium shall operate joint projects that—

(A) provide services to all postsecondary institutions participating in the consortium; and

(B) are of sufficient size, scope, and quality to be effective.

(b) **WAIVER FOR MORE EQUITABLE DISTRIBUTION.**—The Governing Board may waive the application of subsection (a) in the case of any State educational agency that submits to the Governing Board an application for such a waiver that—

(1) demonstrates that the formula described in subsection (a) does not result in a distribution of funds to the institutions or consortia within the State that have the highest numbers of low-income individuals and that an alternative formula will result in such a distribution; and

(2) includes a proposal for an alternative formula that may include criteria relating to the number of individuals attending the institutions or consortia within the State who—

(A) receive need-based postsecondary financial aid provided from public funds;

(B) are members of families participating in the program of aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(C) are enrolled in postsecondary educational institutions that—

(i) are funded by the State;

(ii) do not charge tuition; and

(iii) serve only low-income students;

(D) are enrolled in programs serving low-income adults; or

(E) are Pell Grant recipients.

(c) **MINIMUM AMOUNT.**—

(1) **IN GENERAL.**—No distribution of funds provided to any institution or consortium for a program year under this section shall be for an amount that is less than \$50,000.

(2) **REDISTRIBUTION.**—Any amounts that are not distributed by reason of paragraph (1) shall be redistributed to eligible institutions or consortia in accordance with the provisions of this section.

(d) **SPECIAL RULE FOR CRIMINAL OFFENDERS.**—Each State educational agency shall distribute the funds reserved under subsection (a)(1)(A) to 1 or more State corrections agencies to enable the State corrections agencies to administer vocational education programs for juvenile and adult criminal offenders in correctional institutions in the State, including correctional institutions operated by local authorities.

(e) **DEFINITION.**—For the purposes of this section—

(1) the term “eligible institution” means an institution of higher education, a local educational agency serving adults, or an area vocational education school serving adults that offers or will offer a program that seeks to receive financial assistance under this section;

(2) the term “institution of higher education”, notwithstanding section 427(b)(2) of the Higher Education Amendments of 1992 (20 U.S.C. 1085 note), has the meaning given the term in section 435(b) of the Higher Education Act of 1965 as such section was in effect on July 22, 1992;

(3) the term “low-income”, used with respect to a person, means a person who is determined under guidelines developed by the Governing Board to be low-income, using the most recent available data provided by the Bureau of the Census, prior to the determination; and

(4) the term “Pell Grant recipient” means a recipient of financial aid under subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq.).

#### **SEC. 114. DISTRIBUTION FOR ADULT EDUCATION.**

(a) **IN GENERAL.**—Except as provided in subsection (b)(3), from the amount made available by a State educational agency for adult education under section 111(b)(3)(B) for a program year, such agency shall award grants, on a competitive basis, to local educational agencies, correctional education agencies, community-based organizations of demonstrated effectiveness, volunteer literacy organizations, public or private nonprofit agencies, postsecondary educational institutions, public housing authorities, and other nonprofit institutions that have the ability to provide literacy services to adults and families, or consortia of agencies, organizations, or institutions described in this subsection, to enable such agencies, organizations, institutions, and consortia to establish or expand adult education programs.

(b) **GRANT REQUIREMENTS.**—

(1) **ACCESS.**—Each State educational agency making funds available for any program year for adult education under section 111(b)(3)(B) shall ensure that the entities described in subsection (a) will be provided direct and equitable access to all Federal funds provided under this section.

(2) **CONSIDERATIONS.**—In awarding grants under this section, the State educational agency shall consider—

(A) the past effectiveness of applicants in providing services (especially with respect to recruitment and retention of educationally disadvantaged adults and the learning gains demonstrated by such adults);

(B) the degree to which an applicant will coordinate and utilize other literacy and social services available in the community; and

(C) the commitment of the applicant to serve individuals in the community who are most in need of literacy services.

(3) **CONSORTIA.**—A State educational agency may award a grant under subsection (a) to a consortium that includes an entity described in subsection (a) and a for-profit agency, organization, or institution, if such agency, organization, or institution—

(A) can make a significant contribution to carrying out the purposes of this Act; and

(B) enters into a contract with the entity described in subsection (a) for the purpose of establishing or expanding adult education programs.

(c) **LOCAL ADMINISTRATIVE COSTS LIMITS.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), of the funds provided under this section by a State educational agency to an agency, organization, institution, or consortium described in subsection (a), at least 95 percent shall be expended for provision of adult education instructional activities. The remainder shall be used for planning, administration, personnel development, and interagency coordination.

(2) **SPECIAL RULE.**—In cases where the cost limits described in paragraph (1) will be too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination supported under this section, the State educational agency shall negotiate with the agency, organization, institution, or consortium described in subsection (a) in order to determine an adequate level of funds to be used for noninstructional purposes.

#### **SEC. 115. SPECIAL RULE FOR MINIMAL ALLOCATION.**

(a) **GENERAL AUTHORITY.**—For any program year for which a minimal amount is made available by a State educational agency for distribution under section 112 or 113 such agency may, notwithstanding the provisions of section 112 or 113, respectively, in order to make a more equitable distribution of funds for programs serving the highest numbers of low-income individuals (as defined in section 113(e)), distribute such minimal amount—

(1) on a competitive basis; or

(2) through any alternative method determined by the State educational agency.

(b) **MINIMAL AMOUNT.**—For purposes of this section, the term “minimal amount” means not more than 15 percent of the total amount made available by the State educational agency under section 111(b)(3)(A) for section 112 or 113, respectively, for such program year.

#### **SEC. 116. REDISTRIBUTION.**

(a) **IN GENERAL.**—In any program year that an entity receiving financial assistance under section 112 or 113 does not expend all of the amounts distributed to such entity for such year under section 112 or 113, respectively, such entity shall return any unexpended amounts to the State educational agency for distribution under section 112 or 113, respectively.

(b) **REDISTRIBUTION OF AMOUNTS RETURNED LATE IN AN PROGRAM YEAR.**—In any program year in which amounts are returned to the State educational agency under subsection (a) for programs described in section 112 or 113 and the State educational agency is unable to redistribute such amounts according to section 112 or 113, respectively, in time for such amounts to be expended in such program year, the State educational agency shall retain such amounts for distribution in combination with amounts provided under such section for the following program year.



**SEC. 117. LOCAL APPLICATION FOR WORKFORCE EDUCATION ACTIVITIES.****(a) IN GENERAL.—**

(1) **IN GENERAL.**—Each eligible entity desiring financial assistance under this title for workforce education activities shall submit an application to the State educational agency at such time, in such manner and accompanied by such information as such agency (in consultation with such other educational entities as the State educational agency determines to be appropriate) may require. Such application shall cover the same period of time as the period of time applicable to the State workforce development plan.

(2) **DEFINITION.**—For the purpose of this section the term “eligible entity” means an entity eligible for financial assistance under section 112, 113, or 114 from a State educational agency.

(b) **CONTENTS.**—Each application described in subsection (a) shall, at a minimum—

(1) describe how the workforce education activities required under section 106(b), and other workforce education activities, will be carried out with funds received under this title;

(2) describe how the activities to be carried out relate to meeting the State goals, and reaching the State benchmarks, concerning workforce education activities;

(3) describe how the activities to be carried out are an integral part of the comprehensive efforts of the eligible entity to improve education for all students and adults;

(4) describe the process that will be used to independently and continuously improve the performance of the eligible entity; and

(5) describe how the eligible entity will coordinate the activities of the entity with the activities of the local workforce development board, if any, in the substate area.

**SEC. 118. LOCAL PARTNERSHIPS, AGREEMENTS, AND WORKFORCE DEVELOPMENT BOARDS.****(a) LOCAL AGREEMENTS.—**

(1) **IN GENERAL.**—After a Governor submits the State plan described in section 104 to the Governing Board, the Governor shall negotiate and enter into a local agreement regarding the workforce employment activities, school-to-work activities, and economic development activities (within a State that is eligible to carry out such activities, as described in subsection (c)) to be carried out in each substate area in the State with local partnerships (or, where established, local workforce development boards described in subsection (b)).

**(2) LOCAL PARTNERSHIPS.—**

(A) **IN GENERAL.**—A local partnership referred to in paragraph (1) shall be established by the local chief elected official, in accordance with subparagraphs (B) and (C), and shall consist of individuals representing business, industry, and labor, local secondary schools, local postsecondary education institutions, local adult education providers, local elected officials, rehabilitation agencies and organizations, and community-based organizations, within the appropriate substate area.

(B) **MULTIPLE JURISDICTIONS.**—In any case in which there are 2 or more units of general local government in the substate area involved, the chief elected official of each such unit shall appoint members of the local partnership in accordance with an agreement entered into by such chief elected officials. In the absence of such an agreement, such appointments shall be made by the Governor of the State involved from the individuals nominated or recommended by the chief elected officials.

(C) **SELECTION OF BUSINESS AND INDUSTRY REPRESENTATIVES.**—Individuals representing business and industry in the local partnership shall be appointed by the chief elected official from nominations submitted by business organizations in the substate area involved. Such individuals shall reasonably represent the industrial and demographic composition of the business community. Where possible, at least 50 percent

of such business and industry representatives shall be representatives of small business.

(3) **BUSINESS AND INDUSTRY INVOLVEMENT.**—The business and industry representatives shall have a lead role in the design, management, and evaluation of the activities to be carried out in the substate area under the local agreement.

**(4) CONTENTS.—**

(A) **STATE GOALS AND STATE BENCHMARKS.**—Such an agreement shall include a description of the manner in which funds allocated to a substate area under this title will be spent to meet the State goals and reach the State benchmarks in a manner that reflects local labor market conditions.

(B) **COLLABORATION.**—The agreement shall also include information that demonstrates the manner in which—

(i) the Governor; and

(ii) the local partnership (or, where established, the local workforce development board); collaborated in reaching the agreement.

(5) **FAILURE TO REACH AGREEMENT.**—If, after a reasonable effort, the Governor is unable to enter into an agreement with the local partnership (or, where established, the local workforce development board), the Governor shall notify the partnership or board, as appropriate, and provide the partnership or board, as appropriate, with the opportunity to comment, not later than 30 days after the date of the notification, on the manner in which funds allocated to such substate area will be spent to meet the State goals and reach the State benchmarks.

(6) **EXCEPTION.**—A State that indicates in the State plan described in section 104 that the State will be treated as a substate area for purposes of the application of this title shall not be subject to this subsection.

**(b) LOCAL WORKFORCE DEVELOPMENT BOARDS.—**

(1) **IN GENERAL.**—Each State may facilitate the establishment of local workforce development boards in each substate area to set policy and provide oversight over the workforce development activities in the substate area.

**(2) MEMBERSHIP.—**

(A) **STATE CRITERIA.**—The Governor shall establish criteria for use by local chief elected officials in each substate area in the selection of members of the local workforce development boards, in accordance with the requirements of subparagraph (B).

(B) **REPRESENTATION REQUIREMENT.**—Such criteria shall require, at a minimum, that a local workforce development board consist of—

(i) representatives of business and industry in the substate area, who shall constitute a majority of the board;

(ii) representatives of labor, workers, and community-based organizations, who shall constitute not less than 25 percent of the members of the board;

(iii) representatives of local secondary schools, postsecondary education institutions, and adult education providers;

(iv) representatives of veterans; and

(v) 1 or more individuals with disabilities, or their representatives.

(C) **CHAIR.**—Each local workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(3) **CONFLICT OF INTEREST.**—No member of a local workforce development board shall vote on a matter relating to the provision of services by the member (or any organization that the member directly represents) or vote on a matter that would provide direct financial benefit to such member or the immediate family of such member or engage in any other activity determined by the Governor to constitute a conflict of interest.

(4) **FUNCTIONS.**—The functions of the local workforce development board shall include—

(A) submitting to the Governor a single comprehensive 3-year strategic plan for workforce development activities in the substate area that includes information—

(i) identifying the workforce development needs of local industries, students, jobseekers, and workers;

(ii) identifying the workforce development activities to be carried out in the substate area with funds received through the allotment made to the State under section 102, to meet the State goals and reach the State benchmarks; and

(iii) identifying how the local workforce development board will obtain the active and continuous participation of business, industry, and labor in the development and continuous improvement of the workforce development activities carried out in the substate area;

(B) entering into local agreements with the Governor as described in subsection (a);

(C) overseeing the operations of the one-stop delivery of core services described in section 106(a)(2) in the substate area, including the responsibility to—

(i) designate local entities to operate the one-stop delivery in the substate area, consistent with the criteria referred to in section 106(a)(2); and

(ii) develop and approve the budgets and annual operating plans of the providers of the one-stop delivery; and

(D) submitting annual reports to the Governor on the progress being made in the substate area toward meeting the State goals and reaching the State benchmarks.

(5) **CONSULTATION.**—A local workforce development board that serves a substate area shall conduct the functions described in paragraph (4) in consultation with the chief elected officials in the substate area.

(c) **ECONOMIC DEVELOPMENT ACTIVITIES.**—A State shall be eligible to use the funds made available through the flex account for flexible workforce activities to carry out economic development activities if—

(1) the boards described in section 105 and subsection (b) are established in the State; or

(2) in the case of a State that indicates in the State plan described in section 104 that the State will be treated as a substate area for purposes of the application of this title, the board described in section 105 is established in the State.

**Subtitle C—Provisions for Other Entities****SEC. 121. INDIAN WORKFORCE DEVELOPMENT ACTIVITIES.****(a) PURPOSE.—**

(1) **IN GENERAL.**—The purpose of this section is to support workforce development activities for Indian and Native Hawaiian individuals in order—

(A) to develop more fully the academic, occupational, and literacy skills of such individuals;

(B) to make such individuals more competitive in the workforce; and

(C) to promote the economic and social development of Indian and Native Hawaiian communities in accordance with the goals and values of such communities.

(2) **INDIAN POLICY.**—All programs assisted under this section shall be administered in a manner consistent with the principles of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) and the government-to-government relationship between the Federal Government and Indian tribal governments.

**(b) DEFINITIONS.—As used in this section:**

(1) **ALASKA NATIVE.**—The term “Alaska Native” means a Native as such term is defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

(2) **INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.**—The terms “Indian”, “Indian tribe”, and “tribal organization” have the same meanings given such terms in subsections (d), (e) and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(3) **INSTITUTION OF HIGHER EDUCATION.**—The term “institution of higher education” has the meaning given the term in section 1201(a) of the

Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(4) NATIVE HAWAIIAN AND NATIVE HAWAIIAN ORGANIZATION.—The terms “Native Hawaiian” and “Native Hawaiian organization” have the same meanings given such terms in paragraphs (1) and (3), respectively, of section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912).

(5) TRIBALLY CONTROLLED COMMUNITY COLLEGE.—The term “tribally controlled community college” has the same meaning given such term in section 2(a)(4) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(a)(4)).

(6) TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL INSTITUTION.—The term “tribally controlled postsecondary vocational institution” means an institution of higher education that—

(A) is formally controlled, or has been formally sanctioned or chartered, by the governing body of an Indian tribe or Indian tribes;

(B) offers a technical degree or certificate granting program;

(C) is governed by a board of directors or trustees, a majority of whom are Indians;

(D) demonstrates adherence to stated goals, a philosophy, or a plan of operation, that fosters individual Indian economic and self-sufficiency opportunity, including programs that are appropriate to stated tribal goals of developing individual entrepreneurships and self-sustaining economic infrastructures on reservations;

(E) has been in operation for at least 3 years;

(F) holds accreditation with or is a candidate for accreditation by a nationally recognized accrediting authority for postsecondary vocational education; and

(G) enrolls the full-time equivalent of not fewer than 100 students, of whom a majority are Indians.

(c) PROGRAM AUTHORIZED.—

(1) ASSISTANCE AUTHORIZED.—From amounts made available under section 134(b)(2), the Governing Board shall make grants to, or enter into contracts or cooperative agreements with, Indian tribes and tribal organizations, Alaska Native entities, tribally controlled community colleges, tribally controlled postsecondary vocational institutions, Indian-controlled organizations serving Indians or Alaska Natives, and Native Hawaiian organizations to carry out the authorized activities described in subsection (d).

(2) FORMULA.—The Governing Board shall make grants to, or enter into contracts and cooperative agreements with, entities as described in paragraph (1) to carry out the activities described in paragraphs (2) and (3) of subsection (d) on the basis of a formula developed by the Governing Board in consultation with entities described in paragraph (1).

(d) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—Funds made available under this section shall be used to carry out the activities described in paragraphs (2) and (3) that—

(A) are consistent with this section; and

(B) are necessary to meet the needs of Indians and Native Hawaiians preparing to enter, reen-ter, or retain unsubsidized employment.

(2) WORKFORCE DEVELOPMENT ACTIVITIES AND SUPPLEMENTAL SERVICES.—

(A) IN GENERAL.—Funds made available under this section shall be used for—

(i) comprehensive workforce development activities for Indians and Native Hawaiians;

(ii) supplemental services for Indian or Native Hawaiian youth on or near Indian reservations in Oklahoma, Alaska, or Hawaii; and

(iii) supplemental services to recipients of public assistance on or near Indian reservations or former reservation areas in Oklahoma or in Alaska.

(B) SPECIAL RULE.—Notwithstanding any other provision of this section, individuals who were eligible to participate in programs under section 401 of the Job Training Partnership Act (29 U.S.C. 1671) (as such section was in effect on the day before the date of enactment of this Act)

shall be eligible to participate in an activity assisted under subparagraph (A)(i).

(3) VOCATIONAL EDUCATION, ADULT EDUCATION, AND LITERACY SERVICES.—Funds made available under this section shall be used for—

(A) workforce education activities conducted by entities described in subsection (c)(1); and

(B) the support of tribally controlled postsecondary vocational institutions in order to ensure continuing and expanded educational opportunities for Indian students.

(e) PROGRAM PLAN.—In order to receive a grant or enter into a contract or cooperative agreement under this section an entity described in subsection (c)(1) shall submit to the Governing Board a plan that describes a 3-year strategy for meeting the needs of Indian and Native Hawaiian individuals, as appropriate, in the area served by such entity. Such plan shall—

(1) be consistent with the purposes of this section;

(2) identify the population to be served;

(3) identify the education and employment needs of the population to be served and the manner in which the services to be provided will strengthen the ability of the individuals served to obtain or retain unsubsidized employment;

(4) describe the services to be provided and the manner in which such services are to be integrated with other appropriate services; and

(5) describe the goals and benchmarks to be used to assess the performance of entities in carrying out the activities assisted under this section.

(f) FURTHER CONSOLIDATION OF FUNDS.—Each entity receiving assistance under this section may consolidate such assistance with assistance received from related programs in accordance with the provisions of the Indian Employment, Training and Related Services Demonstration Act of 1992 (25 U.S.C. 3401 et seq.).

(g) NONDUPLICATIVE AND NONEXCLUSIVE SERVICES.—Nothing in this section shall be construed—

(1) to limit the eligibility of any entity described in subsection (c)(1) to participate in any program offered by a State or local entity under this Act; or

(2) to preclude or discourage any agreement, between any entity described in subsection (c)(1) and any State or local entity, to facilitate the provision of services by such entity or to the population served by such entity.

(h) PARTNERSHIP PROVISIONS.—

(1) OFFICE ESTABLISHED.—The Governing Board shall establish an office within the Federal Partnership to administer the activities assisted under this section.

(2) CONSULTATION REQUIRED.—

(A) IN GENERAL.—The Governing Board, through the office established under paragraph (1), shall develop regulations and policies for activities assisted under this section in consultation with tribal organizations and Native Hawaiian organizations. Such regulations and policies shall take into account the special circumstances under which such activities operate.

(B) ADMINISTRATIVE SUPPORT.—The Governing Board shall provide such administrative support to the office established under paragraph (1) as the Governing Board determines to be necessary to carry out the consultation required by subparagraph (A).

(3) TECHNICAL ASSISTANCE.—The Governing Board, through the office established under paragraph (1), is authorized to provide technical assistance to entities described in subsection (c)(1) that receive assistance under this section to enable such entities to improve the workforce development activities provided by such entities.

#### SEC. 122. GRANTS TO OUTLYING AREAS.

(a) GENERAL AUTHORITY.—Using funds made available under section 134(b)(3), the Governing Board shall make grants to outlying areas to carry out workforce development activities.

(b) APPLICATION.—The Governing Board shall issue regulations specifying the provisions of

this Act that shall apply to outlying areas that receive funds under this title.

#### Subtitle D—General Provisions

#### SEC. 131. ACCOUNTABILITY.

(a) REPORT.—Each State that receives an allotment under section 102 shall annually prepare and submit to the Governing Board a report that states how the State is performing on State benchmarks specified in this section, which relate to workforce development activities carried out through the statewide system of the State. In preparing the report, the State may include information on such additional benchmarks as the State may establish to meet the State goals.

(b) GOALS.—

(1) MEANINGFUL EMPLOYMENT.—Each statewide system supported by an allotment under section 102 shall be designed to meet the goal of assisting participants in obtaining meaningful unsubsidized employment opportunities in the State.

(2) EDUCATION.—Each statewide system supported by an allotment under section 102 shall be designed to meet the goal of enhancing and developing more fully the academic, occupational, and literacy skills of all segments of the population of the State.

(c) BENCHMARKS.—

(1) MEANINGFUL EMPLOYMENT.—To be eligible to receive an allotment under section 102, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure the statewide progress of the State toward meeting the goal described in subsection (b)(1), which shall include, at a minimum, measures of—

(A) placement in unsubsidized employment of participants;

(B) retention of the participants in such employment (12 months after completion of the participation); and

(C) increased earnings for the participants.

(2) EDUCATION.—To be eligible to receive an allotment under section 102, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure the statewide progress of the State toward meeting the goal described in subsection (b)(2), which shall include, at a minimum, measures of—

(A) student mastery of academic knowledge and work readiness skills;

(B) student mastery of occupational and industry-recognized skills according to skill proficiencies for students in career preparation programs;

(C) placement in, retention in, and completion of secondary education (as determined under State law) and postsecondary education, and placement and retention in employment and in military service; and

(D) mastery of the literacy, knowledge, and skills adults need to be productive and responsible citizens and to become more actively involved in the education of their children.

(3) POPULATIONS.—To be eligible to receive an allotment under section 102, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure progress toward meeting the goals described in subsection (b) for populations including, at a minimum—

(A) welfare recipients;

(B) individuals with disabilities;

(C) older workers;

(D) at-risk youth; and

(E) dislocated workers.

(4) SPECIAL RULE.—If a State has developed performance indicators, attainment levels, or assessments for skills according to challenging academic, occupational, or industry-recognized skill proficiencies, the State shall use such performance indicators, attainment levels, or assessments in measuring the progress of all students in attaining the skills.

## (5) NEGOTIATIONS.—

(A) INITIAL DETERMINATION.—On receipt of a State plan submitted under section 104, the Governing Board shall, not later than 30 days after the date of the receipt, determine—

(i) how the proposed State benchmarks identified by the State in the State plan compare to the model benchmarks established by the Governing Board under section 301(b)(4)(B)(ii);

(ii) how the proposed State benchmarks compare with State benchmarks proposed by other States in their State plans;

(iii) whether the proposed State benchmarks, taken as a whole, are sufficient—

(I) to enable the State to meet the State goals; and

(II) to make the State eligible for an incentive grant under section 132(a).

(B) NOTIFICATION.—The Governing Board shall immediately notify the State of the determinations referred to in subparagraph (A). If the Governing Board determines that the proposed State benchmarks are not sufficient to make the State eligible for an incentive grant under section 132(a), the Governing Board shall provide the State with guidance on the steps the State may take to allow the State to become eligible for the grant.

(C) REVISION.—Not later than 30 days after the date of receipt of the notification referred to in subparagraph (B), the State may revise some or all of the State benchmarks identified in the State plan in order to become eligible for the incentive grant or provide reasons why the State benchmarks should be sufficient to make the State eligible for the incentive grant.

(D) FINAL DETERMINATION.—After reviewing any revised State benchmarks or information submitted by the State in accordance with subparagraph (C), the Governing Board shall issue a final determination on the eligibility of the State for the incentive grant.

(6) INCENTIVE GRANTS.—Each State that sets high benchmarks under paragraph (1), (2), or (3) and reaches or exceeds the benchmarks, as determined by the Governing Board, shall be eligible to receive an incentive grant under section 132(a).

(7) SANCTIONS.—A State that has failed to demonstrate sufficient progress toward reaching the State benchmarks established under this subsection for the 3 years covered by a State plan described in section 104, as determined by the Governing Board, may be subject to sanctions under section 132(b).

## (d) JOB PLACEMENT ACCOUNTABILITY SYSTEM.—

(1) IN GENERAL.—Each State that receives an allotment under section 102 shall establish a job placement accountability system, which will provide a uniform set of data to track the progress of the State toward reaching the State benchmarks.

## (2) DATA.—

(A) IN GENERAL.—In order to maintain data relating to the measures described in subsection (c)(1), each such State shall establish a job placement accountability system using quarterly wage records available through the unemployment insurance system. The State agency or entity within the State responsible for labor market information, as designated in section 303(c)(1)(B), in conjunction with the Commissioner of Labor Statistics, shall maintain the job placement accountability system and match information on participants served by the statewide systems of the State and other States with quarterly employment and earnings records.

(B) REIMBURSEMENT.—Each local entity that carries out workforce employment activities or workforce education activities and that receives funds under this title shall provide information regarding the social security numbers of the participants served by the entity and such other information as the State may require to the State agency or entity within the State responsible for labor market information, as designated in section 303(c)(1)(B).

(C) CONFIDENTIALITY.—The State agency or entity within the State responsible for labor market information, as designated in section 303(c)(1)(B), shall protect the confidentiality of information obtained through the job placement accountability system through the use of recognized security procedures.

**SEC. 132. INCENTIVES AND SANCTIONS.**

## (a) INCENTIVES.—

(1) IN GENERAL.—The Governing Board may award incentive grants of not more than \$15,000,000 per program year to a State that—

(A) reaches or exceeds State benchmarks established under section 131(c), with an emphasis on the benchmarks established under section 131(c)(3), in accordance with section 131(c)(6); or

(B) demonstrates to the Governing Board that the State has made substantial reductions in the number of adult recipients of aid to families with dependent children, as defined in section 102(b)(1)(A), resulting from increased placement of such adult recipients in unsubsidized employment.

(2) USE OF FUNDS.—A State that receives such a grant may use the funds made available through the grant to carry out any workforce development activities authorized under this Act.

## (b) SANCTIONS.—

(1) FAILURE TO DEMONSTRATE SUFFICIENT PROGRESS.—If the Governing Board determines, after notice and an opportunity for a hearing, that a State has failed to demonstrate sufficient progress toward reaching the State benchmarks established under section 131(c) for the 3 years covered by a State plan described in section 104, the Governing Board may reduce the allotment of the State under section 102 by not more than 10 percent per program year for not more than 3 years. The Governing Board may determine that the failure of the State to demonstrate such progress is attributable to the workforce employment activities, workforce education activities, or flexible workforce activities, of the State, and reduce only the portion of the allotment for such activities.

(2) EXPENDITURE CONTRARY TO ACT.—If the Governor of a State determines that a local entity that carries out workforce employment activities in a substate area of the State has expended funds made available under this Act in a manner contrary to the purposes of this Act, and such expenditures do not constitute fraudulent activity, the Governor may deduct an amount equal to the funds from a subsequent program year allocation to the substate area.

(c) FUNDS RESULTING FROM REDUCED ALLOTMENTS.—The Governing Board may use an amount retained as a result of a reduction in an allotment made under subsection (b)(1) to award an incentive grant under subsection (a).

**SEC. 133. UNEMPLOYMENT TRUST FUND.**

(a) IN GENERAL.—Section 901(c) of the Social Security Act (42 U.S.C. 1101(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking clause (ii) and inserting the following:

“(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 106(a)(2)(B), of the Workforce Development Act of 1995, and”; and

(B) in subparagraph (B)—

(i) in the matter preceding clause (i), by striking “Department of Labor” and inserting “Department of Labor or the Workforce Development Partnership, as appropriate,”; and

(ii) by striking clause (iii) and inserting the following:

“(iii) the Workforce Development Act of 1995,”; and

(2) in the first sentence of paragraph (4), by striking “the total cost” and all that follows through “the President determines” and inserting “the total cost of administering the statewide workforce development systems, to the ex-

tent the systems are used to carry out activities described in section 303, or in any of clauses (ii) through (v) of section 106(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”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect July 1, 1998.

**SEC. 134. AUTHORIZATION OF APPROPRIATIONS.**

(a) IN GENERAL.—There are authorized to be appropriated to carry out this Act (other than subtitle C of title II) \$7,000,000,000 for each of fiscal years 1998 through 2001.

(b) RESERVATIONS.—Of the amount appropriated under subsection (a)—

(1) 92.7 percent shall be reserved for making allotments under section 102;

(2) 1.25 percent shall be reserved for carrying out section 121;

(3) 0.2 percent shall be reserved for carrying out section 122;

(4) 4.3 percent shall be reserved for making incentive grants under section 132(a) and for the administration of this Act;

(5) 0.15 percent shall be reserved for carrying out sections 302 and 304; and

(6) 1.4 percent shall be reserved for carrying out section 303.

## (c) PROGRAM YEAR.—

(1) IN GENERAL.—Appropriations for any fiscal year for programs and activities under this Act shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.

(2) ADMINISTRATION.—Funds obligated for any program year may be expended by each recipient during the program year and the 2 succeeding program years and no amount shall be deobligated on account of a rate of expenditure that is consistent with the provisions of the State plan specified in section 104 that relate to workforce employment activities.

**SEC. 135. EFFECTIVE DATE.**

This title shall take effect July 1, 1998.

**TITLE II—TRANSITION PROVISIONS****Subtitle A—Transition Provisions Relating to Use of Federal Funds for State and Local Activities****SEC. 201. WAIVERS.**

## (a) WAIVER AUTHORITY.—

(1) IN GENERAL.—Notwithstanding any other provision of Federal law, and except as provided in subsection (d), the Secretary may waive any requirement under any provision of law relating to a covered activity, or of any regulation issued under such a provision, for—

(A) a State that requests such a waiver and submits an application as described in subsection (b); or

(B) a local entity that requests such a waiver and complies with the requirements of subsection (c);

in order to assist the State or local entity in planning or developing a statewide system or workforce development activities to be carried out through the statewide system.

## (2) TERM.—

(A) IN GENERAL.—Except as provided in subparagraph (B), each waiver approved pursuant to this section shall be for a period beginning on the date of the approval and ending on June 30, 1998.

(B) FAILURE TO SUBMIT INTERIM PLAN.—If a State receives a waiver under this section and fails to submit an interim plan under section 211 by June 30, 1997, the waiver shall be deemed to terminate on September 30, 1997. If a local entity receives a waiver under this section, and the State in which the local entity is located fails to submit an interim plan under section 211 by June 30, 1997, the waiver shall be deemed to terminate on September 30, 1997.

(b) STATE REQUEST FOR WAIVER.—

(1) *IN GENERAL.*—A State may submit to the Secretary a request for a waiver of 1 or more requirements referred to in subsection (a). The request may include a request for different waivers with respect to different areas within the State.

(2) *APPLICATION.*—To be eligible to receive a waiver described in subsection (a), a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including information—

(A) identifying the requirement to be waived and the goal that the State (or the local agency applying to the State under subsection (c)) intends to achieve through the waiver;

(B) identifying, and describing the actions that the State will take to remove, similar State requirements;

(C) describing the activities to which the waiver will apply, including information on how the activities may be continued, or related to activities carried out, under the statewide system of the State;

(D) describing the number and type of persons to be affected by such waiver; and

(E) providing evidence of support for the waiver request by the State agencies or officials with jurisdiction over the requirement to be waived.

(c) *LOCAL ENTITY REQUEST FOR WAIVER.*—

(1) *IN GENERAL.*—A local entity that seeks a waiver of such a requirement shall submit to the State a request for the waiver and an application containing sufficient information to enable the State to comply with the requirements of subsection (b)(2). The State shall determine whether to submit a request and an application for a waiver to the Secretary, as provided in subsection (b).

(2) *TIME LIMIT.*—

(A) *IN GENERAL.*—The State shall make a determination concerning whether to submit the request and application for a waiver as described in paragraph (1) not later than 30 days after the date on which the State receives the application from the local entity.

(B) *DIRECT SUBMISSION.*—

(1) *IN GENERAL.*—If the State does not make a determination to submit or does not submit the request and application within the 30-day time period specified in subparagraph (A), the local entity may submit the request and application to the Secretary.

(2) *REQUIREMENTS.*—In submitting such a request, the local entity shall obtain the agreement of the State involved to comply with the requirements of this section that would otherwise apply to a State submitting a request for a waiver. In reviewing an application submitted by a local entity, the Secretary shall comply with the requirements of this section that would otherwise apply to the Secretary with respect to review of such an application submitted by a State.

(d) *WAIVERS NOT AUTHORIZED.*—The Secretary may not waive any requirement of any provision referred to in subsection (a), or of any regulation issued under such provision, relating to—

(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 in which the State or local entity can demonstrate that the individuals who would have been eligible to participate in such activity without the waiver will participate in a similar covered activity; or

(4) a required supplementation of funds by the State or a prohibition against the State supplementing such funds.

(e) *ACTIVITIES.*—Subject to subsection (d), the Secretary may approve a request for a waiver

described in subsection (a) that would enable a State or local entity to—

(1) use the assistance that would otherwise have been used to carry out 2 or more covered activities (if the State or local entity were not using the assistance as described in this section);

(A) to address the high priority needs of unemployed persons and at-risk youth in the appropriate State or community for workforce employment activities or workforce education activities;

(B) to improve efficiencies in the delivery of the covered activities; or

(C) in the case of overlapping or duplicative activities—

(i) by combining the covered activities and funding the combined activities; or

(ii) by eliminating 1 of the covered activities and increasing the funding to the remaining covered activity; and

(2) use the assistance that would otherwise have been used for administrative expenses relating to a covered activity (if the State or local entity were not using the assistance as described in this section) to pay for the cost of developing an interim State plan described in section 211 or a State plan described in section 104.

(f) *APPROVAL OR DISAPPROVAL.*—The Secretary shall approve or disapprove any request submitted pursuant to subsection (b) or (c), not later than 45 days after the date of the submission and shall issue a decision that shall include the reasons for approving or disapproving the request.

(g) *FAILURE TO ACT.*—If the Secretary fails to approve or disapprove the request within the 45-day period described in subsection (f), the request shall be deemed to be approved on the day after such period ends. If the Secretary subsequently determines that the waiver relates to a matter described in subsection (d) and issues a decision that includes the reasons for the determination, the waiver shall be deemed to terminate on the date of issuance of the decision.

(h) *DEFINITION.*—As used in this section:

(1) *LOCAL ENTITY.*—The term “local entity” means—

(A) a local educational agency, with respect to any act by a local agency or organization relating to a covered activity that is a workforce education activity; and

(B) the local public or private agency or organization responsible for carrying out the covered activity at issue, with respect to any act by a local agency or organization relating to any other covered activity.

(2) *SECRETARY.*—The term “Secretary” means—

(A) the Secretary of Labor, with respect to any act relating to a covered activity carried out by the Secretary of Labor;

(B) the Secretary of Education, with respect to any act relating to a covered activity carried out by the Secretary of Education; and

(C) the Secretary of Health and Human Services, with respect to any act relating to a covered activity carried out by the Secretary of Health and Human Services.

(3) *STATE.*—The term “State” means—

(A) a State educational agency, with respect to any act by a State entity relating to a covered activity that is a workforce education activity; and

(B) the Governor, with respect to any act by a State entity relating to any other covered activity.

(i) *CONFORMING AMENDMENTS.*—

(1) Section 501 of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6211) is amended—

(A) in subsection (a), by striking “sections 502 and 503” and inserting “section 502”;

(B) in subsection (b)(2)(B)(ii)—

(i) by striking “section 502(a)(1)(C) or 503(a)(1)(C), as appropriate,” and inserting “section 502(a)(1)(C)”;

(ii) by striking “section 502 or 503, as appropriate,” and inserting “section 502”;

(C) in subsection (c), by striking “section 502 or 503” and inserting “section 502”;

(D) by striking “Secretaries” each place the term appears and inserting “Secretary of Education”.

(2) Section 502(b) of such Act (20 U.S.C. 6212(b)) is amended—

(A) in paragraph (4), by striking the semicolon and inserting “; and”;

(B) in paragraph (5), by striking “; and” and inserting a period; and

(C) by striking paragraph (6).

(3) Section 503 of such Act (20 U.S.C. 6213) is repealed.

(4) Section 504 of such Act (20 U.S.C. 6214) is amended—

(A) in subsection (a)(2)(B), by striking clauses (i) and (ii) and inserting the following clauses:

“(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) in subsection (b), by striking “paragraphs (1) through (3), and paragraphs (5) and (6), of section 503(b)” and inserting “paragraphs (2) through (4) and paragraphs (6) and (7) of section 505(b)”.

(5) Section 505(b) of such Act (20 U.S.C. 6215(b)) is amended to read as follows:

“(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);

“(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.”.

## **Subtitle B—Transition Provisions Relating to Applications and Plans**

### **SEC. 211. INTERIM STATE PLANS.**

(a) *IN GENERAL.*—For a State or local entity in a State to use a waiver received under section 201 through June 30, 1998, and for a State to be eligible to submit a State plan described in section 104 for program year 1998, the Governor of the State shall submit an interim State plan to the Governing Board. The Governor shall submit the plan not later than June 30, 1997.

(b) *REQUIREMENTS.*—The interim State plan shall comply with the requirements applicable to State plans described in section 104.

(c) *PROGRAM YEAR.*—In submitting the interim State plan, the Governor shall indicate whether the plan is submitted—

(1) for review and approval for program year 1997; or

(2) solely for review.

(d) *REVIEW.*—In reviewing an interim State plan, the Governing Board may—

(1) in the case of a plan submitted for review and approval for program year 1997—

(A) approve the plan and permit the State to use a waiver as described in section 201 to carry out the plan; or

(B) disapprove the plan, and provide to the State reasons for the disapproval and technical assistance for developing an approvable plan to be submitted under section 104 for program year 1998; and

(2) in the case of a plan submitted solely for review, review the plan and provide to the State

technical assistance for developing an approved plan to be submitted under section 104 for program year 1998.

(e) **EFFECT OF DISAPPROVAL.**—Disapproval of an interim plan shall not affect the ability of a State to use a waiver as described in section 201 through June 30, 1998.

**SEC. 212. APPLICATIONS AND PLANS UNDER COVERED ACTS.**

Notwithstanding any other provision of law, no State or local entity shall be required to comply with any provision of a covered Act that would otherwise require the entity to submit an application or a plan to a Federal agency during fiscal year 1996 or 1997 for funding of a covered activity. In determining whether to provide funding to the State or local entity for the covered activity, the Secretary of Education, the Secretary of Labor, or the Secretary of Health and Human Services, as appropriate, shall consider the last application or plan, as appropriate, submitted by the entity for funding of the covered activity.

**Subtitle C—Job Corps and Other Workforce Preparation Activities for At-Risk Youth**  
**CHAPTER 1—GENERAL JOB CORPS PROVISIONS**

**SEC. 221. PURPOSES.**

The purposes of this subtitle are—

- (1) to maintain a Job Corps for at-risk youth as part of statewide systems;
- (2) to set forth standards and procedures for selecting individuals as enrollees in the Job Corps;
- (3) to authorize the establishment of residential and nonresidential Job Corps centers in which enrollees will participate in intensive programs of workforce development activities;
- (4) to prescribe various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps; and
- (5) to assist at-risk youth who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsible, employable, and productive citizens.

**SEC. 222. DEFINITIONS.**

As used in this subtitle:

- (1) **ENROLLEE.**—The term “enrollee” means an individual enrolled in the Job Corps.
- (2) **GOVERNOR.**—The term “Governor” means the chief executive officer of a State.
- (3) **JOB CORPS.**—The term “Job Corps” means the corps described in section 223.
- (4) **JOB CORPS CENTER.**—The term “Job Corps center” means a center described in section 223.

**SEC. 223. GENERAL AUTHORITY.**

If a State receives an allotment under section 241, and a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 235, the State shall use a portion of the funds made available through the allotment to maintain the center, and carry out activities described in this subtitle for individuals enrolled in a Job Corps and assigned to the center.

**SEC. 224. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.**

To be eligible to become an enrollee, an individual shall be an at-risk youth.

**SEC. 225. SCREENING AND SELECTION OF APPLICANTS.**

(a) **STANDARDS AND PROCEDURES.**—

(1) **IN GENERAL.**—The State shall prescribe specific standards and procedures for the screening and selection of applicants for the Job Corps.

(2) **IMPLEMENTATION.**—To the extent practicable, the standards and procedures shall be implemented through arrangements with—

- (A) one-stop career centers;
- (B) agencies and organizations such as community action agencies, professional groups, and labor organizations; and
- (C) agencies and individuals that have contact with youth over substantial periods of time

and are able to offer reliable information about the needs and problems of the youth.

(3) **CONSULTATION.**—The standards and procedures shall provide for necessary consultation with individuals and organizations, including court, probation, parole, law enforcement, education, welfare, and medical authorities and advisers.

(b) **SPECIAL LIMITATIONS.**—No individual shall be selected as an enrollee unless the individual or organization implementing the standards and procedures determines that—

(1) there is a reasonable expectation that the individual can participate successfully in group situations and activities, is not likely to engage in behavior that would prevent other enrollees from receiving the benefit of the program or be incompatible with the maintenance of sound discipline and satisfactory relationships between the Job Corps center to which the individual might be assigned and surrounding communities; and

(2) the individual manifests a basic understanding of both the rules to which the individual will be subject and of the consequences of failure to observe the rules.

**SEC. 226. ENROLLMENT AND ASSIGNMENT.**

(a) **RELATIONSHIP BETWEEN ENROLLMENT AND MILITARY OBLIGATIONS.**—Enrollment in the Job Corps shall not relieve any individual of obligations under the Military Selective Service Act (50 U.S.C. App. 451 et seq.).

(b) **ASSIGNMENT.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), the State shall assign an enrollee to the Job Corps center within the State that is closest to the residence of the enrollee.

(2) **AGREEMENTS WITH OTHER STATES.**—The State may enter into agreements with 1 or more States to enroll individuals from the States in the Job Corps and assign the enrollees to Job Corps centers in the State.

**SEC. 227. JOB CORPS CENTERS.**

(a) **DEVELOPMENT.**—The State shall enter into an agreement with a Federal, State, or local agency, which may be a State board or agency that operates or wishes to develop an area vocational education school facility or residential vocational school, or with a private organization, for the establishment and operation of a Job Corps center.

(b) **CHARACTER AND ACTIVITIES.**—Job Corps centers may be residential or nonresidential in character, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with access to activities described in section 228.

(c) **CIVILIAN CONSERVATION CENTERS.**—The Job Corps centers may include Civilian Conservation Centers, located primarily in rural areas, which shall provide, in addition to other training and assistance, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.

(d) **JOB CORPS OPERATORS.**—To be eligible to receive funds under this chapter, an entity who entered into a contract with the Secretary of Labor that is in effect on the effective date of this section to carry out activities through a center under part B of title IV of the Job Training Partnership Act (as in effect on the day before the effective date of this section), shall enter into a contract with the State in which the center is located that contains provisions substantially similar to the provisions of the contract with the Secretary of Labor, as determined by the State.

**SEC. 228. PROGRAM ACTIVITIES.**

(a) **ACTIVITIES PROVIDED THROUGH JOB CORPS CENTERS.**—Each Job Corps center shall provide enrollees assigned to the center with access to activities described in section 106(a)(2)(B), and such other workforce development activities as may be appropriate to meet the needs of the enrollees, including providing work-based learning

throughout the enrollment of the enrollees and assisting the enrollees in obtaining meaningful unsubsidized employment on completion of their enrollment.

(b) **ARRANGEMENTS.**—The State shall arrange for enrollees assigned to Job Corps centers in the State to receive workforce development activities through the statewide system, including workforce development activities provided through local public or private educational agencies, vocational educational institutions, or technical institutes.

(c) **JOB PLACEMENT ACCOUNTABILITY.**—Each Job Corps center located in a State shall be connected to the job placement accountability system of the State described in section 131(d).

**SEC. 229. SUPPORT.**

The State shall provide enrollees assigned to Job Corps centers in the State with such personal allowances as the State may determine to be necessary or appropriate to meet the needs of the enrollees.

**SEC. 230. OPERATING PLAN.**

To be eligible to operate a Job Corps center and receive assistance under section 241 for program year 1998 or any subsequent program year, an entity shall prepare and submit, to the Governor of the State in which the center is located, and obtain the approval of the Governor 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 State plan for the State submitted under section 104;

(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 delivery of core services described in section 106(a)(2) by the State.

**SEC. 231. STANDARDS OF CONDUCT.**

(a) **PROVISION AND ENFORCEMENT.**—The State shall provide, and directors of Job Corps center shall stringently enforce, standards of conduct within the centers. Such standards of conduct shall include provisions forbidding violence, drug abuse, and other criminal activity.

(b) **DISCIPLINARY MEASURES.**—To promote the proper moral and disciplinary conditions in the Job Corps, the directors of Job Corps centers shall take appropriate disciplinary measures against enrollees. If such a director determines that an enrollee has committed a violation of the standards of conduct, the director shall dismiss the enrollee from the Corps if the director determines that the retention of the enrollee in the Corps will jeopardize the enforcement of such standards or diminish the opportunities of other enrollees. If the director determines that an enrollee has engaged in an incident involving violence, drug abuse, or other criminal activity, the director shall immediately dismiss the enrollee from the Corps.

(c) **APPEAL.**—A disciplinary measure taken by a director under this section shall be subject to expeditious appeal in accordance with procedures established by the State.

**SEC. 232. COMMUNITY PARTICIPATION.**

The State shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers in the State and nearby communities. The activities may include the use of any local workforce development boards established in the State under section 118(b) to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest.

**SEC. 233. COUNSELING AND PLACEMENT.**

The State shall ensure that enrollees assigned to Job Corps centers in the State receive counseling and job placement services, which shall be

provided, to the maximum extent practicable, through the delivery of core services described in section 106(a)(2).

#### SEC. 234. LEASES AND SALES OF CENTERS.

##### (a) LEASES.—

(1) *IN GENERAL.*—The Secretary of Labor shall offer to enter into a lease with each State that has an approved State plan submitted under section 104 and in which 1 or more Job Corps centers are located.

(2) *NOMINAL CONSIDERATION.*—Under the terms of the lease, the Secretary of Labor shall lease the Job Corps centers in the State to the State in return for nominal consideration.

(3) *INDEMNITY AGREEMENT.*—To be eligible to lease such a center, a State shall enter into an agreement to hold harmless and indemnify the United States from any liability or claim for damages or injury to any person or property arising out of the lease.

(b) *SALES.*—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), the Secretary of Labor shall offer each State described in subsection (a)(1) the opportunity to purchase the Job Corps centers in the State in return for nominal consideration.

#### SEC. 235. CLOSURE OF JOB CORPS CENTERS.

(a) *NATIONAL JOB CORPS AUDIT.*—Not later than March 31, 1997, the Governing Board shall conduct an audit of the activities carried out under part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.), and submit to the appropriate committees of Congress a report containing the results of the audit, including information indicating—

(1) the amount of funds expended for fiscal year 1996 to carry out activities under such part, for each State and for the United States;

(2) for each Job Corps center funded under such part (referred to in this subtitle as a “Job Corps center”), the amount of funds expended for fiscal year 1996 under such part to carry out activities related to the direct operation of the center, including funds expended for student training, outreach or intake activities, meals and lodging, student allowances, medical care, placement or settlement activities, and administration;

(3) for each Job Corps center, the amount of funds expended for fiscal year 1996 under such part through contracts to carry out activities not related to the direct operation of the center, including funds expended for student travel, national outreach, screening, and placement services, national vocational training, and national and regional administrative costs;

(4) for each Job Corps center, the amount of funds expended for fiscal year 1996 under such part for facility construction, rehabilitation, and acquisition expenses; and

(5) the amount of funds required to be expended under such part to complete each new or proposed Job Corps center, and to rehabilitate and repair each existing Job Corps center, as of the date of the submission of the report.

##### (b) RECOMMENDATIONS OF GOVERNING BOARD.—

(1) *RECOMMENDATIONS.*—The Governing Board shall, based on the results of the audit described in subsection (a), make recommendations to the Secretary of Labor, including identifying 25 Job Corps centers to be closed by September 30, 1997.

##### (2) CONSIDERATIONS.—

(A) *IN GENERAL.*—In determining whether to recommend that the Secretary of Labor close a Job Corps center, the Governing Board shall consider whether the center—

(i) has consistently received low performance measurement ratings under the Department of Labor or the Office of Inspector General Job Corps rating system;

(ii) is among the centers that have experienced the highest number of serious incidents of violence or criminal activity in the past 5 years;

(iii) is among the centers that require the largest funding for renovation or repair, as specified

in the Department of Labor Job Corps Construction/Rehabilitation Funding Needs Survey, or for rehabilitation or repair, as reflected in the portion of the audit described in subsection (a)(5);

(iv) is among the centers for which the highest relative or absolute fiscal year 1996 expenditures were made, for any of the categories of expenditures described in paragraph (2), (3), or (4) of subsection (a), as reflected in the audit described in subsection (a);

(v) is among the centers with the least State and local support; or

(vi) is among the centers with the lowest rating on such additional criteria as the Governing Board may determine to be appropriate.

(B) *COVERAGE OF STATES AND REGIONS.*—Notwithstanding subparagraph (A), the Governing Board shall not recommend that the Secretary of Labor close the only Job Corps center in a State or a region of the United States.

(C) *ALLOWANCE FOR NEW JOB CORPS CENTERS.*—Notwithstanding any other provision of this section, if the planning or construction of a Job Corps center that received Federal funding for fiscal year 1994 or 1995 has not been completed by the date of enactment of this Act—

(i) the appropriate entity may complete the planning or construction and begin operation of the center; and

(ii) the Governing Board shall not evaluate the center under this Act sooner than 3 years after the first date of operation of the center.

(3) *REPORT.*—Not later than June 30, 1997, the Governing Board shall submit a report to the Secretary of Labor, which shall contain a detailed statement of the findings and conclusions of the Governing Board resulting from the audit described in subsection (a) together with the recommendations described in paragraph (1).

(c) *CLOSURE.*—The Secretary of Labor shall, after reviewing the report submitted under subsection (b)(3), close 25 Job Corps centers by September 30, 1997.

#### SEC. 236. INTERIM OPERATING PLANS FOR JOB CORPS CENTERS.

Part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.) is amended by inserting after section 439 the following section:

##### “SEC. 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 obtain 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 delivery of core services described in section 106(a)(2) by the State as 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 statewide

system of the State in which the center is located.”.

#### SEC. 237. EFFECTIVE DATE.

(a) *IN GENERAL.*—Except as provided in subsection (b), this chapter shall take effect on July 1, 1998.

(b) *INTERIM PROVISIONS.*—Sections 234 and 235, and the amendment made by section 236, shall take effect on the date of enactment of this Act.

#### CHAPTER 2—OTHER WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH

##### SEC. 241. WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH.

(a) *IN GENERAL.*—For program year 1998 and each subsequent program year, the Governing Board shall make allotments under subsection (c) to States to assist the States in paying for the cost of carrying out workforce preparation activities for at-risk youth, as described in this section.

##### (b) STATE USE OF FUNDS.—

(1) *CORE ACTIVITIES.*—The State shall use a portion of the funds made available to the State through an allotment received under subsection (c) to establish and operate Job Corps centers as described in chapter 1, if a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 235.

(2) *PERMISSIBLE ACTIVITIES.*—The State may use a portion of the funds described in paragraph (1) to—

(A) make grants to eligible entities, as described in subsection (e), to assist the entities in carrying out innovative programs to assist out-of-school at-risk youth in participating in school-to-work activities;

(B) make grants to eligible entities, as described in subsection (e), to assist the entities in providing work-based learning as a component of school-to-work activities, including summer jobs linked to year-round school-to-work programs; and

(C) carry out other workforce development activities specifically for at-risk youth.

##### (c) ALLOTMENTS.—

(1) *IN GENERAL.*—The Governing Board shall allot to each State an amount equal to the total of—

(A) the amount made available to the State under paragraph (2); and

(B) the amounts made available to the State under subparagraphs (C), (D), and (E) of paragraph (3).

(2) *ALLOTMENTS BASED ON FISCAL YEAR 1996 APPROPRIATIONS.*—Using a portion of the funds appropriated under subsection (g) for a fiscal year, the Governing Board shall make available to each State the amount that Job Corps centers in the State expended for fiscal year 1996 under part B of title IV of the Job Training Partnership Act to carry out activities related to the direct operation of the centers, as determined under section 235(a)(2).

##### (3) ALLOTMENTS BASED ON POPULATIONS.—

(A) *DEFINITIONS.*—As used in this paragraph:

(i) *INDIVIDUAL IN POVERTY.*—The term “individual in poverty” means an individual who—

(I) is not less than age 18;

(II) is not more than age 64; and

(III) is a member of a family (of 1 or more members) with an income at or below the poverty line.

(ii) *POVERTY LINE.*—The term “poverty line” means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty used by the Bureau of the Census in compiling the 1990 decennial census.



(B) **TOTAL ALLOTMENTS.**—The Governing Board shall use the remainder of the funds that are appropriated under subsection (g) for a fiscal year, and that are not made available under paragraph (2), to make amounts available under this paragraph.

(C) **UNEMPLOYED INDIVIDUALS.**—From funds equal to 33⅓ percent of such remainder, the Governing Board shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in the United States.

(D) **INDIVIDUALS IN POVERTY.**—From funds equal to 33⅓ percent of such remainder, the Governing Board shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in the United States.

(E) **AT-RISK YOUTH.**—From funds equal to 33⅓ percent of such remainder, the Governing Board shall make available to each State an amount that bears the same relationship to such funds as the total number of at-risk youth in the State bears to the total number of at-risk youth in the United States.

(d) **STATE PLAN.**—

(1) **INFORMATION.**—To be eligible to receive an allotment under subsection (c), a State shall include, in the State plan to be submitted under section 104, information describing the allocation within the State of the funds made available through the allotment, and how the programs and activities described in subsection (b)(2) will be carried out to meet the State goals and reach the State benchmarks.

(2) **LIMITATION.**—The Governing Board may not require a State to include the information described in paragraph (1) in the State plan to be submitted under section 104 to be eligible to receive an allotment under section 102.

(e) **APPLICATION.**—To be eligible to receive a grant under subparagraph (A) or (B) of subsection (b)(2) from a State, an entity shall prepare and submit to the Governor of the State an application at such time, in such manner, and containing such information as the Governor may require.

(f) **WITHIN STATE DISTRIBUTION.**—Of the funds allotted to a State under subsection (c)(3) for workforce preparation activities for at-risk youth for a program year—

(1) 15 percent shall be reserved by the Governor to carry out such activities through the statewide system; and

(2) 85 percent shall be distributed to local entities to carry out such activities through the statewide system.

(g) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this subtitle, \$2,100,000,000 for each of fiscal years 1998 through 2001.

(h) **EFFECTIVE DATE.**—This chapter shall take effect on July 1, 1998.

#### **Subtitle D—Interim Administration of School-to-Work Programs**

#### **SEC. 251. ADMINISTRATION OF SCHOOL-TO-WORK PROGRAMS.**

(a) **IN GENERAL.**—Any provision of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.) that grants authority to the Secretary of Labor or the Secretary of Education shall be considered to grant the authority to the Governing Board.

(b) **EFFECTIVE DATE.**—Subsection (a) shall take effect on October 1, 1996.

#### **Subtitle E—Amendments Relating to Certain Authorizations of Appropriations**

#### **SEC. 261. OLDER AMERICAN COMMUNITY SERVICE EMPLOYMENT ACT.**

Section 508(a)(1) of the Older American Community Service Employment Act (42 U.S.C.

3056f(a)(1)) is amended by striking “for fiscal years 1993, 1994, and 1995” and inserting “for each of fiscal years 1993 through 1998”.

#### **SEC. 262. CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.**

(a) **IN GENERAL.**—Section 3(a) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2302(a)) is amended by striking “for each of the fiscal years” and all that follows through “1995” and inserting “for each of fiscal years 1992 through 1998”.

(b) **RESEARCH.**—Section 404(d) of such Act (20 U.S.C. 2404(d)) is amended by striking “for each of the fiscal years” and all that follows through “1995” and inserting “for each of fiscal years 1992 through 1998”.

#### **SEC. 263. ADULT EDUCATION ACT.**

(a) **IN GENERAL.**—Section 313(a) of the Adult Education Act (20 U.S.C. 1201b(a)) is amended by striking “for each of the fiscal years” and all that follows through “1995” and inserting “for each of fiscal years 1993 through 1998”.

(b) **STATE LITERACY RESOURCE CENTERS.**—Section 356(k) of such Act (20 U.S.C. 1208aa(k)) is amended by striking “for each of the fiscal years 1994 and 1995” and inserting “for each of fiscal years 1994 through 1998”.

(c) **BUSINESS, INDUSTRY, LABOR, AND EDUCATION PARTNERSHIPS FOR WORKPLACE LITERACY.**—Section 371(e)(1) of such Act (20 U.S.C. 1211(e)(1)) is amended by striking “for each of the fiscal years” and all that follows through “1995” and inserting “for each of fiscal years 1993 through 1998”.

(d) **NATIONAL INSTITUTE FOR LITERACY.**—Section 384(n)(1) of such Act (20 U.S.C. 1213c(n)(1)) is amended by striking “for each of the fiscal years” and all that follows through “1996” and inserting “for each of fiscal years 1992 through 1998”.

### **TITLE III—NATIONAL ACTIVITIES**

#### **SEC. 301. FEDERAL PARTNERSHIP.**

(a) **ESTABLISHMENT.**—There is established a Workforce Development Partnership that shall administer the activities established under this Act. The Federal Partnership shall be a Government corporation, as defined in section 103 of title 5, United States Code. The principal office of the Federal Partnership shall be located in the District of Columbia.

(b) **GOVERNING BOARD.**—

(1) **COMPOSITION.**—There shall be in the Federal Partnership a Governing Board that shall be composed of 13 individuals, including—

(A) 7 individuals who are representative of business and industry in the United States, appointed by the President by and with the advice and consent of the Senate;

(B) 2 individuals who are representative of labor and workers in the United States, appointed by the President by and with the advice and consent of the Senate;

(C) 2 individuals who are representative of education providers, 1 of whom is a State or local adult education provider and 1 of whom is a State or local vocational education provider, appointed by the President by and with the advice and consent of the Senate; and

(D) 2 Governors, representing different political parties, appointed by the President by and with the advice and consent of the Senate.

(2) **TERMS.**—Each member of the Governing Board shall serve for a term of 3 years, except that, as designated by the President—

(A) 5 of the members first appointed to the Governing Board shall serve for a term of 2 years;

(B) 4 of the members first appointed to the Governing Board shall serve for a term of 3 years; and

(C) 4 of the members first appointed to the Governing Board shall serve for a term of 4 years.

(3) **VACANCIES.**—Any vacancy in the Governing Board shall not affect the powers of the Governing Board, but shall be filled in the same

manner as the original appointment. Any member appointed to fill such a vacancy shall serve for the remainder of the term for which the predecessor of such member was appointed.

(4) **DUTIES AND POWERS.**—

(A) **POWERS.**—The powers of the Federal Partnership shall be vested in the Governing Board.

(B) **DUTIES.**—The Governing Board shall—

(i) oversee the development and implementation of the nationwide integrated labor market information system described in section 303, and the job placement accountability system described in section 131(d);

(ii) establish model benchmarks for each of the benchmarks referred to in paragraph (1), (2), or (3) of section 131(c), at achievable levels based on existing (as of the date of the establishment of the benchmarks) workforce development efforts in the States;

(iii) negotiate State benchmarks with States in accordance with section 131(c)(5);

(iv) review and approve plans under section 104, and make allotments under section 102;

(v) receive and review reports described in section 131(a);

(vi) prepare and submit to the appropriate committees of Congress an annual report on the absolute and relative performance of States toward reaching the State benchmarks;

(vii) award annual incentive grants under section 132(a);

(viii) initiate sanctions described in section 132(b);

(ix) disseminate information to States on the best practices used by States to establish and carry out activities through statewide systems, including model programs to provide structured work and learning experiences for welfare recipients;

(x) perform the duties specified for the Governing Board in title II, including subtitle C of title II (relating to the Job Corps);

(xi) review all federally funded programs providing workforce development activities, other than programs carried out under this Act, and submit recommendations to Congress on how the federally funded programs could be integrated into the statewide systems of the States, including recommendations on the development of common terminology for activities and services provided through the programs;

(xii) review and approve the transition workplans developed by the Secretary of Labor and the Secretary of Education in accordance with sections 305 and 306; and

(xiii) oversee all activities of the Federal Partnership.

(C) **FINAL DETERMINATIONS.**—Notwithstanding any other provision of this Act, the Secretary of Labor and the Secretary of Education shall jointly make the final determinations with respect to the approval of State plans, and the disbursement of funds, under this Act.

(5) **CHAIRPERSON.**—The position of Chairperson of the Governing Board shall rotate annually among the appointed members described in paragraph (1)(A).

(6) **MEETINGS.**—The Governing Board shall meet at the call of the Chairperson but not less often than 4 times during each calendar year. Five members of the Governing Board shall constitute a quorum. All decisions of the Governing Board with respect to the exercise of the duties and powers of the Governing Board shall be made by a majority vote of the members of the Governing Board.

(7) **COMPENSATION AND TRAVEL EXPENSES.**—

(A) **COMPENSATION.**—Each member of the Governing Board who is not an officer or employee of the Federal Government shall be compensated at a rate to be fixed by the President but not to exceed the daily equivalent of the maximum rate authorized for a position above GS-15 of the General Schedule under section 5108 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Governing Board. All members of the Governing

Board who are officers or employees of the United States shall serve without compensation in addition to compensation received for their services as officers or employees of the United States.

(B) **EXPENSES.**—While away from their homes or regular places of business on the business of the Governing Board, members of such Governing Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter 1 of chapter 57 of title 5, United States Code, for persons employed intermittently in the Government service.

(8) **DATE OF APPOINTMENT.**—The Governing Board shall be appointed not later than September 30, 1996.

(c) **DIRECTOR.**—

(1) **IN GENERAL.**—There shall be in the Federal Partnership a Director, who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) **COMPENSATION.**—The Director shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(3) **DUTIES.**—The Director shall—

(A) make recommendations to the Governing Board regarding the activities described in subsection (b)(4)(B); and

(B) carry out the general administration and enforcement of this Act.

(4) **DATE OF APPOINTMENT.**—The Director shall be appointed not later than September 30, 1996.

(d) **DETAIL OF GOVERNMENT EMPLOYEES.**—Any Federal Government employee may be detailed to the Federal Partnership without reimbursement, and such detail shall be without interruption or loss of civil service or privilege. The Secretary of Education, the Secretary of Labor, and the Secretary of Health and Human Services shall detail a sufficient number of employees to the Federal Partnership for the period beginning October 1, 1996 and ending June 30, 1998 to enable the Federal Partnership to carry out the functions of the Federal Partnership during such period.

(e) **INSPECTOR GENERAL.**—There shall be an Office of the Inspector General in the Federal Partnership. The Office shall be headed by an Inspector General appointed in accordance with the Inspector General Act of 1978 (5 U.S.C. App.). The Inspector General shall carry out the duties prescribed in such Act.

(f) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated for fiscal years 1996 and 1997 \$500,000 to the Governing Board for the administration of this Act.

(g) **CONFORMING AMENDMENT.**—Section 11 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) in paragraph (1), by inserting “the Governing Board of the Workforce Development Partnership;” after “the Attorney General;”;

(2) in paragraph (2), by inserting “the Workforce Development Partnership;” after “Treasury;”.

### SEC. 302. NATIONAL ASSESSMENT OF VOCATIONAL EDUCATION PROGRAMS.

(a) **IN GENERAL.**—The Assistant Secretary for Educational Research and Improvement (referred to in this section as the “Assistant Secretary”) shall conduct a national assessment of vocational education programs assisted under this Act, through studies and analyses conducted independently through competitive awards.

(b) **INDEPENDENT ADVISORY PANEL.**—The Assistant Secretary shall appoint an independent advisory panel, consisting of vocational education administrators, educators, researchers, and representatives of business, industry, labor, and other relevant groups, to advise the Assistant Secretary on the implementation of such assessment, including the issues to be addressed and the methodology of the studies involved,

and the findings and recommendations resulting from the assessment. The panel, in the discretion of the panel, may submit to Congress an independent analysis of the findings and recommendations resulting from the assessment. The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the panel established under this subsection.

(c) **CONTENTS.**—The assessment required under subsection (a) shall 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, including the capacity of State, tribal, and local vocational education systems to address the purposes of this Act;

(2) expenditures at the Federal, State, tribal, and local levels to address program improvement in vocational education, including the impact of Federal allocation requirements (such as within-State distribution formulas) on the delivery of services;

(3) preparation and qualifications of teachers of vocational and academic curricula in vocational education programs, as well as shortages of such teachers;

(4) participation in vocational education programs;

(5) academic and employment outcomes of vocational education, including analyses of—

(A) the effect of educational reform on vocational education;

(B) the extent and success of integration of academic and vocational curricula;

(C) the success of the school-to-work transition; and

(D) the degree to which vocational training is relevant to subsequent employment;

(6) employer involvement in, and satisfaction with, vocational education programs;

(7) the effect of benchmarks, performance measures, and other measures of accountability on the delivery of vocational education services; and

(8) the degree to which minority students are involved in vocational student organizations.

(d) **CONSULTATION.**—

(1) **IN GENERAL.**—The Secretary of Education shall consult with the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate in the design and implementation of the assessment required under subsection (a).

(2) **REPORTS.**—The Secretary of Education shall submit to Congress—

(A) an interim report regarding the assessment on or before January 1, 2000; and

(B) a final report, summarizing all studies and analyses that relate to the assessment and that are completed after the assessment, on or before July 1, 2000.

(3) **PROHIBITION.**—Notwithstanding any other provision of law or regulation, the reports required by this subsection shall not be subject to any review outside of the Office of Educational Research and Improvement before their transmittal to Congress, but the President, the Secretary, and the independent advisory panel established under subsection (b) may make such additional recommendations to Congress with respect to the assessment as the President, Secretary, or panel determine to be appropriate.

(e) **EFFECTIVE DATE.**—This section shall take effect on July 1, 1998.

### SEC. 303. LABOR MARKET INFORMATION.

(a) **FEDERAL RESPONSIBILITIES.**—The Governing Board, in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a nationwide integrated labor market information system that shall include—

(1) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems, that, taken together, shall enumerate, estimate, and project

the supply and demand for labor at the substate, State, and national levels in a timely manner, including data on—

(A) the demography, socioeconomic characteristics, and current employment status of the substate, State, and national populations (as of the date of the collection of the data), including self-employed, part-time, and seasonal workers;

(B) job vacancies, education and training requirements, skills, wages, benefits, working conditions, and industrial distribution, of occupations, as well as current and projected employment opportunities and trends by industry and occupation;

(C) the educational attainment, training, skills, skill levels, and occupations of the populations;

(D) information maintained in a longitudinal manner on the quarterly earnings, establishment and industry affiliation, and geographic location of employment for all individuals for whom the information is collected by the States; and

(E) the incidence, industrial and geographical location, and number of workers displaced by permanent layoffs and plant closings;

(2) State and substate area employment and consumer information (which shall be current, comprehensive, automated, accessible, easy to understand, and in a form useful for facilitating immediate employment, entry into education and training programs, and career exploration) on—

(A) job openings, locations, hiring requirements, and application procedures, including profiles of industries in the local labor market that describe the nature of work performed, employment requirements, and patterns in wages and benefits;

(B) jobseekers, including the education, training, and employment experience of the jobseekers; and

(C) the cost and effectiveness of providers of workforce employment activities, workforce education activities, and flexible workforce activities, including the percentage of program completion, acquisition of skills to meet industry-recognized skill standards, continued education, job placement, and earnings, by participants, and other information that may be useful in facilitating informed choices among providers by participants;

(3) technical standards for labor market information that will—

(A) ensure compatibility of the information and the ability to aggregate the information from substate areas to State and national levels;

(B) support standardization and aggregation of the data from administrative reporting systems;

(C) include—

(i) classification and coding systems for industries, occupations, skills, programs, and courses;

(ii) nationally standardized definitions of labor market terms, including terms related to State benchmarks established pursuant to section 131(c);

(iii) quality control mechanisms for the collection and analysis of labor market information; and

(iv) common schedules for collection and dissemination of labor market information; and

(D) eliminate gaps and duplication in statistical undertakings, with a high priority given to the systematization of wage surveys;

(4) an analysis of data and information described in paragraphs (1) and (2) for uses such as—

(A) national, State, and substate area economic policymaking;

(B) planning and evaluation of workforce development activities;

(C) the implementation of Federal policies, including the allocation of Federal funds to States and substate areas; and

(D) research on labor market dynamics;

(5) dissemination mechanisms for data and analysis, including mechanisms that may be standardized among the States; and

(6) programs of technical assistance for States and substate areas in the development, maintenance, utilization, and continuous improvement of the data, information, standards, analysis, and dissemination mechanisms, described in paragraphs (1) through (5).

(b) **JOINT FEDERAL-STATE RESPONSIBILITIES.**—

(1) **IN GENERAL.**—The nationwide integrated labor market information system shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and the States receiving financial assistance under this Act.

(2) **ANNUAL PLAN.**—The Governing Board shall, with the assistance of the Bureau of Labor Statistics and other Federal agencies, where appropriate, prepare an annual plan that shall be the mechanism for achieving the cooperative Federal-State governance structure for the nationwide integrated labor market information system. The plan shall—

(A) establish goals for the development and improvement of a nationwide integrated labor market information system based on information needs for achieving economic growth and productivity, accountability, fund allocation equity, and an understanding of labor market characteristics and dynamics;

(B) describe the elements of the system, including—

(i) standards, definitions, formats, collection methodologies, and other necessary system elements, for use in collecting the data and information described in paragraphs (1) and (2) of subsection (a); and

(ii) assurances that—

(I) data will be sufficiently timely and detailed for uses including the uses described in subsection (a)(4);

(II) administrative records will be standardized to facilitate the aggregation of data from substate areas to State and national levels and to support the creation of new statistical series from program records; and

(III) paperwork and reporting requirements on employers and individuals will be reduced;

(C) recommend needed improvements in administrative reporting systems to be used for the nationwide integrated labor market information system;

(D) describe the current spending on integrated labor market information activities from all sources, assess the adequacy of the funds spent, and identify the specific budget needs of the Federal Government and States with respect to implementing and improving the nationwide integrated labor market information system;

(E) develop a budget for the nationwide integrated labor market information system that—

(i) accounts for all funds described in subparagraph (D) and any new funds made available pursuant to this Act; and

(ii) describes the relative allotments to be made for—

(I) operating the cooperative statistical programs pursuant to subsection (a)(1);

(II) developing and providing employment and consumer information pursuant to subsection (a)(2);

(III) ensuring that technical standards are met pursuant to subsection (a)(3); and

(IV) providing the analysis, dissemination mechanisms, and technical assistance under paragraphs (4), (5), and (6) of subsection (a), and matching data;

(F) describe the involvement of States in developing the plan by holding formal consultations conducted in cooperation with representatives of the Governors of each State or the State workforce development board described in section 105, where appropriate, pursuant to a process established by the Governing Board; and

(G) provide for technical assistance to the States for the development of statewide comprehensive labor market information systems described in subsection (c), including assistance with the development of easy-to-use software and hardware, or uniform information displays.

For purposes of applying Office of Management and Budget Circular A-11 to determine persons eligible to participate in deliberations relating to budget issues for the development of the plan, the representatives of the Governors of each State and the State workforce development board described in subparagraph (F) shall be considered to be employees of the Department of Labor.

(c) **STATE RESPONSIBILITIES.**—

(1) **DESIGNATION OF STATE AGENCY.**—In order to receive Federal financial assistance under this Act, the Governor of a State shall—

(A) establish an interagency process for the oversight of a statewide comprehensive labor market information system and for the participation of the State in the cooperative Federal-State governance structure for the nationwide integrated labor market information system; and

(B) designate a single State agency or entity within the State to be responsible for the management of the statewide comprehensive labor market information system.

(2) **DUTIES.**—In order to receive Federal financial assistance under this Act, the State agency or entity within the State designated under paragraph (1)(B) shall—

(A) consult with employers and local workforce development boards described in section 118(b), where appropriate, about the labor market relevance of the data to be collected and displayed through the statewide comprehensive labor market information system;

(B) develop, maintain, and continuously improve the statewide comprehensive labor market information system, which shall—

(i) include all of the elements described in paragraphs (1), (2), (3), (4), (5), and (6) of subsection (a); and

(ii) provide the consumer information described in clauses (v) and (vi) of section 106(a)(2)(B) in a manner that shall be responsive to the needs of business, industry, workers, and jobseekers;

(C) ensure the performance of contract and grant responsibilities for data collection, analysis, and dissemination, through the statewide comprehensive labor market information system;

(D) conduct such other data collection, analysis, and dissemination activities to ensure that State and substate area labor market information is comprehensive;

(E) actively seek the participation of other State and local agencies, with particular attention to State education, economic development, human services, and welfare agencies, in data collection, analysis, and dissemination activities in order to ensure complementarity and compatibility among data;

(F) participate in the development of the national annual plan described in subsection (b)(2); and

(G) ensure that the matches required for the job placement accountability system by section 131(d)(2)(A) are made for the State and for other States.

(3) **RULE OF CONSTRUCTION.**—Nothing in this Act shall be construed as limiting the ability of a State agency to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this Act.

(d) **EFFECTIVE DATE.**—This section shall take effect on July 1, 1998.

**SEC. 304. NATIONAL CENTER FOR RESEARCH IN EDUCATION AND WORKFORCE DEVELOPMENT.**

(a) **GRANTS AUTHORIZED.**—From amounts made available under section 134(b)(5), the Governing Board is authorized—

(1) for the period beginning on the date of enactment of this Act and ending on December 31, 1997, to support a national center that was established under section 404 of the Carl D. Perkins Vocational and Applied Technology Education Act and that was in existence on the day before the date of enactment of this Act, in accordance with such section 404 (as such section

was in effect on the day before the date of enactment of this Act); and

(2) for the period after December 31, 1997, to award a grant, on a competitive basis, to an institution of higher education, public or private nonprofit organization or agency, or a consortium of such institutions, organizations, or agencies, to enable such institution, organization, agency, or consortium to establish a national center to carry out the activities described in subsection (b).

(b) **AUTHORIZED ACTIVITIES.**—Grant funds made available under this section shall be used by the national center assisted under subsection (a)(2)—

(1) to increase the effectiveness and improve the implementation of workforce development programs, including conducting research and development and providing technical assistance with respect to—

(A) combining academic and vocational education;

(B) connecting classroom instruction with work-based learning;

(C) creating a continuum of educational programs that provide multiple exit points for employment, which may include changes or development of instructional materials or curriculum;

(D) establishing high quality support services for all students to ensure access to workforce development programs, educational success, and job placement assistance;

(E) developing new models for remediation of basic academic skills, which models shall incorporate appropriate instructional methods, rather than using rote and didactic methods;

(F) identifying ways to establish links among educational and job training programs at the State and local levels;

(G) developing new models for career guidance, career information, and counseling services;

(H) identifying economic and labor market changes that will affect workforce needs;

(I) conducting preparation of teachers and professionals who work with programs funded under this Act; and

(J) obtaining information on practices in other countries that may be adapted for use in the United States;

(2) to provide assistance to States and local recipients of assistance under this Act in developing and using systems of performance measures and standards for improvement of programs and services; and

(3) to maintain a clearinghouse that will provide data and information to Federal, State, and local organizations and agencies about the condition of statewide systems and programs funded under this Act, which data and information shall be disseminated in a form that is useful to practitioners and policymakers.

(c) **OTHER ACTIVITIES.**—The Governing Board may request that the national center assisted under subsection (a)(2) conduct activities not described in subsection (b), or study topics not described in subsection (b), as the Governing Board determines to be necessary to carry out this Act.

(d) **IDENTIFICATION OF CURRENT NEEDS.**—The national center assisted under subsection (a)(2) shall identify current needs (as of the date of the identification) for research and technical assistance through a variety of sources including a panel of Federal, State, and local level practitioners.

(e) **SUMMARY REPORT.**—The national center assisted under subsection (a)(2) shall annually prepare and submit to the Governing Board and Congress a report summarizing the research findings obtained, and the results of development and technical assistance activities carried out, under this section.

(f) **DEFINITION.**—As used in this section, the term "institution of higher education" has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(g) **EFFECTIVE DATE.**—This section shall take effect on July 1, 1998.

# SEC. 305. TRANSFERS TO FEDERAL PARTNERSHIP.

(a) **DEFINITIONS.**—For purposes of this section, unless otherwise provided or indicated by the context—

(1) the term “Federal agency” has the meaning given to the term “agency” by section 551(1) of title 5, United States Code;

(2) the term “function” means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program; and

(3) the term “office” includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

## (b) TRANSFER OF FUNCTIONS.—

(1) **IN GENERAL.**—There are transferred to the Federal Partnership, in accordance with subsection (c), all functions that the Secretary of Labor or the Secretary of Education exercised before the effective date of this section (including all related functions of any officer or employee of the Department of Labor or the Department of Education) that relate to a covered activity and that are minimally necessary to carry out the functions of the Federal Partnership. The authority of a transferred employee to carry out a function that relates to a covered activity shall terminate on July 1, 1998.

(2) **OFFICE OF INSPECTOR GENERAL.**—There are transferred to the Federal Partnership, in accordance with subsection (c), all functions that the Secretary of Labor or the Secretary of Education, acting through the Office of Inspector General of the Department of Labor or of the Department of Education, exercised before the effective date of this section (including all related functions of any officer or employee of the Department of Labor or the Department of Education) that relate to the auditing or investigation of a covered activity and that are minimally necessary to carry out the functions of the Federal Partnership. The authority of a transferred employee to carry out a function that relates to the auditing or investigation of a covered activity shall terminate on July 1, 1998.

## (c) DETERMINATIONS OF FUNCTIONS BY THE GOVERNING BOARD.—

### (1) TRANSITION WORKPLAN.—

(A) **IN GENERAL.**—Not later than the date of appointment of the Governing Board, the Secretary of Labor and the Secretary of Education shall prepare and submit to the Governing Board a proposed workplan that specifies the steps that the Secretaries will take, during the period ending on July 1, 1998, to carry out the transfers described in subsection (b).

(B) **CONTENTS.**—The proposed workplan shall include, at a minimum—

(i) an analysis of the functions that officers and employees of the Department of Labor and the Department of Education carry out (as of the date of the submission of the workplan) that relate to a covered activity or to the auditing or investigation of a covered activity;

(ii) information on the levels of personnel and funding used to carry out the functions (as of such date);

(iii) information on the proposed organizational structure for the Federal Partnership;

(iv) a determination of the functions described in clause (i) that are minimally necessary to carry out the functions of the Federal Partnership; and

(v) information on the levels of personnel and funding that are minimally necessary to carry out the functions of the Federal Partnership.

(2) **REVIEW.**—Not later than 30 days after the date of submission of the workplan, the Governing Board shall—

(A) review the workplan;

(B) approve the workplan or prepare a revised workplan that contains the analysis and information described in paragraph (1)(B), including a determination of the functions described in paragraph (1)(B)(iv), which shall be transferred under subsection (b); and

(C) submit the approved or revised workplan to the appropriate committees of Congress.

## (d) PERSONNEL PROVISIONS.—

(1) **APPOINTMENTS.**—The Director may appoint and fix the compensation of such officers and employees, including investigators, attorneys, and administrative law judges, as may be necessary to carry out the functions of the Federal Partnership. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the civil service laws and their compensation fixed in accordance with title 5, United States Code.

(2) **EXPERTS AND CONSULTANTS.**—The Director may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate such experts and consultants for each day (including travel time) at rates not in excess of the rate of pay for level IV of the Executive Schedule under section 5315 of such title. The Director may pay experts and consultants who are serving away from their homes or regular place of business travel expenses and per diem in lieu of subsistence at rates authorized by sections 5702 and 5703 of such title for persons in Government service employed intermittently.

(e) **DELEGATION AND ASSIGNMENT.**—Except where otherwise expressly prohibited by law or otherwise provided by this section, the Governing Board may delegate any function transferred or granted to such Federal Partnership after the effective date of this section to such officers and employees of the Federal Partnership as the Governing Board may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions by the Governing Board under this subsection or under any other provision of this section shall relieve such Governing Board of responsibility for the administration of such functions.

(f) **REORGANIZATION.**—The Governing Board may allocate or reallocate any function transferred or granted to such Federal Partnership after the effective date of this section among the officers of the Federal Partnership, and establish, consolidate, alter, or discontinue such organizational entities in the Federal Partnership as may be necessary or appropriate.

(g) **RULES.**—The Governing Board is authorized to prescribe, in accordance with the provisions of chapters 5 and 6 of title 5, United States Code, such rules and regulations as the Governing Board determines to be necessary or appropriate to administer and manage the functions of the Federal Partnership.

## (h) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—

(1) **IN GENERAL.**—Except as otherwise provided in this section, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred by this section, subject to section 1531 of title 31, United States Code, shall be transferred to the Federal Partnership. Unexpended funds transferred pursuant to this subsection shall be used only to carry out the functions of the Federal Partnership.

(2) **EXISTING FACILITIES AND OTHER FEDERAL RESOURCES.**—Pursuant to paragraph (1), the Secretary of Labor and the Secretary of Education shall supply such office facilities, office supplies, support services, and related expenses as may be minimally necessary to carry out the functions of the Governing Board. None of the funds made available under this Act may be used for the construction of office facilities for the Federal Partnership.

(i) **INCIDENTAL TRANSFERS.**—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, may make such determinations as may be necessary with regard to the functions transferred by this

section, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this section. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this section and for such further measures and dispositions as may be necessary to effectuate the objectives of this section.

## (j) EFFECT ON PERSONNEL.—

(1) **TERMINATION OF CERTAIN POSITIONS.**—Positions whose incumbents are appointed by the President, by and with the advice and consent of the Senate, the functions of which are transferred by this section, shall terminate on the effective date of this section.

## (2) ACTIONS.—

(A) **IN GENERAL.**—The Secretary of Labor and the Secretary of Education shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to ensure that the positions of personnel that relate to a covered activity and are not transferred under subsection (b)(1) are separated from service.

(B) **SCOPE.**—The Secretary of Labor and the Secretary of Education shall take the actions described in subparagraph (A) with respect to not less than  $\frac{1}{3}$  of the positions of personnel that relate to a covered activity.

(C) **DEFINITION.**—As used in this paragraph, the term “positions of personnel that relate to a covered activity” shall not include any position in an Office of Inspector General that relates to the auditing or investigation of a covered activity.

## (k) SAVINGS PROVISIONS.—

(1) **SUITS NOT AFFECTED.**—The provisions of this section shall not affect suits commenced before the effective date of this section, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this section had not been enacted.

(2) **NONABATEMENT OF ACTIONS.**—No suit, action, or other proceeding commenced by or against the Department of Labor or the Department of Education, or by or against any individual in the official capacity of such individual as an officer of the Department of Labor or the Department of Education, shall abate by reason of the enactment of this section.

(l) **TRANSITION.**—The Governing Board may utilize—

(1) the services of officers, employees, and other personnel of the Department of Labor or the Department of Education with respect to functions transferred to the Federal Partnership by this section; and

(2) funds appropriated to such functions; for such period of time as may reasonably be needed to facilitate the orderly implementation of this section.

(m) **REFERENCES.**—A reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or relating to—

(1) the Secretary of Labor or the Secretary of Education with regard to functions transferred under subsection (b), shall be deemed to refer to the Governing Board; and

(2) the Department of Labor or the Department of Education with regard to functions transferred under subsection (b), shall be deemed to refer to the Federal Partnership.

## (n) ADDITIONAL CONFORMING AMENDMENTS.—

(1) **RECOMMENDED LEGISLATION.**—After consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, the Governing Board shall prepare and submit to Congress recommended legislation containing technical and conforming amendments to reflect the changes made by this section.

(2) **SUBMISSION TO CONGRESS.**—Not later than March 31, 1997, the Governing Board shall submit the recommended legislation referred to in paragraph (1).

(o) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—Except as provided in paragraphs (2) and (3), this section shall take effect on June 30, 1998.

(2) **REGULATIONS AND CONFORMING AMENDMENTS.**—Subsections (g) and (n) shall take effect on September 30, 1996.

(3) **WORKPLAN.**—Subsection (c) shall take effect on the date of enactment of this Act.

**SEC. 306. TRANSFERS TO OTHER FEDERAL AGENCIES AND OFFICES.**

(a) **TRANSFER.**—There are transferred to the appropriate receiving agency, in accordance with subsection (b), all functions that the Secretary of Labor, acting through the Employment and Training Administration, or the Secretary of Education, acting through the Office of Vocational and Adult Education, exercised before the effective date of this section (including all related functions of any officer or employee of the Employment and Training Administration or the Office of Vocational and Adult Education) that do not relate to a covered activity.

(b) **DETERMINATIONS OF FUNCTIONS AND APPROPRIATE RECEIVING AGENCIES.**—

(1) **TRANSITION WORKPLAN.**—

(A) **IN GENERAL.**—Not later than 90 days after the date of appointment of the Governing Board, the Secretary of Labor and the Secretary of Education shall prepare and submit to the Governing Board a proposed workplan that specifies the steps that the Secretaries will take, during the period ending on July 1, 1998, to carry out the transfer described in subsection (a).

(B) **CONTENTS.**—The proposed workplan shall include, at a minimum—

(i) a determination of the functions that officers and employees of the Employment and Training Administration and the Office of Vocational and Adult Education carry out (as of the date of the submission of the workplan) that do not relate to a covered activity; and

(ii) a determination of the appropriate receiving agencies for the functions, based on factors including increased efficiency and elimination of duplication of functions.

(2) **REVIEW.**—Not later than 30 days after the date of submission of the workplan, the Governing Board shall—

(A) review the workplan;

(B) approve the workplan or prepare a revised workplan that contains—

(i) a determination of the functions described in paragraph (1)(B)(i), which shall be transferred under subsection (a); and

(ii) a determination of the appropriate receiving agencies described in paragraph (1)(B)(ii), based on the factors described in such paragraph, to which the functions shall be transferred under subsection (a); and

(C) submit the approved or revised workplan to the appropriate committees of Congress.

(3) **REPORT.**—Not later than July 1, 1998, the Secretary of Education and the Secretary of Labor shall submit to the appropriate committees of Congress information on the transfers required by this section.

(c) **APPLICATION OF AUTHORITIES.**—

(1) **IN GENERAL.**—

(A) **APPLICATION.**—Subsection (a), and subsections (d) through (n), of section 305 (other than subsections (g), (h)(2), (j)(2), and (n)) shall apply to transfers under this section, in the same manner and to the same extent as the subsections apply to transfers under section 305.

(B) **REGULATIONS AND CONFORMING AMENDMENTS.**—Subsections (g) and (n) shall apply to transfers under this section, in the same manner and to the same extent as the subsections apply to transfers under section 305.

(2) **REFERENCES.**—For purposes of the application of the subsections described in paragraph (1) (other than subsections (h)(2) and (j)(2) of section 305) to transfers under this section—

(A) references to the Federal Partnership shall be deemed to be references to the appropriate receiving agency, as determined in the approved or revised workplan referred to in subsection (b)(2);

(B) references to the Director or Governing Board shall be deemed to be references to the head of the appropriate receiving agency; and

(C) references to transfers in subsections (e) and (f) of section 305 shall be deemed to include transfers under this section.

(3) **ADMINISTRATION.**—Unexpended funds transferred pursuant to this section shall be used only for the purposes for which the funds were originally authorized and appropriated.

(4) **CONTINUING EFFECT OF LEGAL DOCUMENTS.**—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(A) that have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official of a Federal agency, or by a court of competent jurisdiction, in the performance of functions that are transferred under this section; and

(B) that are in effect on the effective date of this section or were final before the effective date of this section and are to become effective on or after the effective date of this section; shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the appropriate receiving agency or other authorized official, a court of competent jurisdiction, or by operation of law.

(5) **PROCEEDINGS NOT AFFECTED.**—

(A) **IN GENERAL.**—The provisions of this section shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before the Department of Labor or the Department of Education on the date this section takes effect, with respect to functions transferred by this section.

(B) **CONTINUATION.**—Such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken from the orders, and payments shall be made pursuant to such orders, as if this section had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law.

(C) **CONSTRUCTION.**—Nothing in this paragraph shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(6) **ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.**—Any administrative action relating to the preparation or promulgation of a regulation by the Department of Labor or the Department of Education relating to a function transferred under this section may be continued by the appropriate receiving agency with the same effect as if this section had not been enacted.

(d) **CONSTRUCTION.**—Nothing in this section shall be construed to require the transfer of any function described in subsection (b)(1)(B)(i) to the Federal Partnership.

(e) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), this section shall take effect on June 30, 1998.

(2) **REGULATIONS AND CONFORMING AMENDMENTS.**—Subsection (c)(1)(B) shall take effect on September 30, 1996.

(3) **WORKPLAN.**—Subsection (b) shall take effect on the date of enactment of this Act.

**SEC. 307. ELIMINATION OF CERTAIN OFFICES.**

(a) **TERMINATION.**—The Office of Vocational and Adult Education and the Employment and

Training Administration shall terminate on July 1, 1998.

(b) **OFFICE OF VOCATIONAL AND ADULT EDUCATION.**—

(1) **TITLE 5, UNITED STATES CODE.**—Section 5315 of title 5, United States Code, is amended by striking “Assistant Secretaries of Education (10)” and inserting “Assistant Secretaries of Education (9)”.

(2) **DEPARTMENT OF EDUCATION ORGANIZATION ACT.**—

(A) Section 202 of the Department of Education Organization Act (20 U.S.C. 3412) is amended—

(i) in subsection (b)(1)—

(I) by striking subparagraph (C); and

(II) by redesignating subparagraphs (D) through (F) as subparagraphs (C) through (E), respectively;

(ii) by striking subsection (h); and

(iii) by redesignating subsection (i) as subsection (h).

(B) Section 206 of such Act (20 U.S.C. 3416) is repealed.

(C) Section 402(c)(1) of the Improving America's Schools Act of 1994 (20 U.S.C. 9001(c)(1)) is amended by striking “established under” and all that follows and inserting a semicolon.

(3) **GOALS 2000: EDUCATE AMERICA ACT.**—Section 931(h)(3)(A) of the Goals 2000: Educate America Act (20 U.S.C. 6031(h)(3)(A)) is amended—

(A) by striking clause (iii); and

(B) by redesignating clauses (iv) and (v) as clauses (iii) and (iv), respectively.

(c) **EMPLOYMENT AND TRAINING ADMINISTRATION.**—

(1) **TITLE 5, UNITED STATES CODE.**—Section 5315 of title 5, United States Code, is amended by striking “Assistant Secretaries of Labor (10)” and inserting “Assistant Secretaries of Labor (9)”.

(2) **VETERANS' BENEFITS AND PROGRAMS IMPROVEMENT ACT OF 1988.**—Section 402(d)(3) of the Veterans' Benefits and Programs Improvement Act of 1988 (29 U.S.C. 1721 note) is amended by striking “and under any other program administered by the Employment and Training Administration of the Department of Labor”.

(3) **TITLE 38, UNITED STATES CODE.**—Section 4110(d) of title 38, United States Code, is amended—

(A) by striking paragraph (7); and

(B) by redesignating paragraphs (8) through (12) as paragraphs (7) through (11), respectively.

(4) **NATIONAL AND COMMUNITY SERVICE ACT OF 1990.**—The last sentence of section 162(b) of the National and Community Service Act of 1990 (42 U.S.C. 12622(b)) is amended by striking “or the Office of Job Training”.

(d) **UNITED STATES EMPLOYMENT SERVICE.**—

(1) **TITLE 5, UNITED STATES CODE.**—Section 3327 of title 5, United States Code, is amended—

(A) in subsection (a), by striking “the employment offices of the United States Employment Service” and inserting “Governors”; and

(B) in subsection (b), by striking “of the United States Employment Service”.

(2) **TITLE 10, UNITED STATES CODE.**—

(A) Section 1143a(d) of title 10, United States Code, is amended by striking paragraph (3).

(B) Section 2410k(b) of title 10, United States Code, is amended by striking “, and where appropriate the Interstate Job Bank (established by the United States Employment Service).”.

(3) **INTERNAL REVENUE CODE OF 1986.**—Section 51 of the Internal Revenue Code of 1986 is amended by striking subsection (g).

(4) **NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.**—Section 4468 of the National Defense Authorization Act for Fiscal Year 1993 (29 U.S.C. 1662d-1 note) is repealed.

(5) **TITLE 38, UNITED STATES CODE.**—Section 4110(d) of title 38, United States Code (as amended by subsection (c)(3)), is further amended—

(A) by striking paragraph (10); and

(B) by redesignating paragraph (11) as paragraph (10).

(6) TITLE 39, UNITED STATES CODE.—

(A) Section 3202(a)(1) of title 39, United States Code is amended—

(i) in subparagraph (D), by striking the semicolon and inserting “; and”;

(ii) by striking subparagraph (E); and

(iii) by redesignating subparagraph (F) as subparagraph (E).

(B) Section 3203(b) of title 39, United States Code, is amended by striking “(1)(E), (2), and (3)” and inserting “(2) and (3)”.

(C) Section 3206(b) of title 39, United States Code, is amended by striking “(1)(F)” and inserting “(1)(E)”.

(7) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—Section 162(b) of the National and Community Service Act of 1990 (42 U.S.C. 12622(b)) (as amended by subsection (c)(4)) is further amended by striking the last sentence.

(e) REORGANIZATION PLANS.—Except with respect to functions transferred under section 306, the authority granted to the Employment and Training Administration, the Office of Vocational and Adult Education, or any unit of the Employment and Training Administration or the Office of Vocational and Adult Education by any reorganization plan shall terminate on July 1, 1998.

#### TITLE IV—AMENDMENTS TO THE REHABILITATION ACT OF 1973

##### SEC. 401. REFERENCES.

Except as otherwise expressly provided in this title, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

##### SEC. 402. FINDINGS AND PURPOSES.

Section 2 (29 U.S.C. 701) is amended—

(1) in subsection (a)(4), by striking “the provision of individualized training, independent living services, educational and support services,” and inserting “implementation of a statewide workforce development system that provides meaningful and effective participation for individuals with disabilities in workforce 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

(2) in subsection (b)(1)(A), by inserting “statewide workforce development systems that include, as integral components,” after “(A)”.

##### SEC. 403. CONSOLIDATED REHABILITATION PLAN.

(a) IN GENERAL.—Section 6 (29 U.S.C. 705) is repealed.

(b) CONFORMING AMENDMENT.—The table of contents for the Act is amended by striking the item relating to section 6.

##### SEC. 404. DEFINITIONS.

Section 7 (29 U.S.C. 706) is amended by adding at the end the following new paragraphs:

“(36) The term ‘statewide workforce development system’ means a statewide 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 employment activities’ means the activities described in paragraphs (2) through (8) of section 106(a) of the Workforce Development Act of 1995, including activities described in section 106(a)(6) of such Act provided through a voucher described in section 106(a)(9) of such Act.”.

##### SEC. 405. ADMINISTRATION.

Section 12(a)(1) (29 U.S.C. 711(a)(1)) is amended by inserting “, 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” before the semicolon.

##### SEC. 406. REPORTS.

Section 13 (29 U.S.C. 712) is amended in the fourth sentence by striking “The data elements”

and all that follows through “age,” and inserting the following: “The information shall include all information that is required to be submitted in the report described in section 131(a) of the Workforce Development Act of 1995 and that pertains to the employment of individuals with disabilities, including information on age.”.

##### SEC. 407. EVALUATION.

Section 14(a) (29 U.S.C. 713(a)) is amended in the third sentence by striking “to the extent feasible,” and all that follows through the end of the sentence and inserting the following: “to the maximum extent appropriate, be consistent with the State benchmarks established under paragraphs (1) and (2) of section 131(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.”.

##### SEC. 408. DECLARATION OF POLICY.

Section 100(a) (29 U.S.C. 720(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (E), by striking “; and” and inserting a semicolon;

(B) in subparagraph (F)—

(i) by inserting “workforce development activities and” before “vocational rehabilitation services”; and

(ii) by striking the period and inserting “; and”;

(C) by adding at the end the following subparagraph:

“(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.”; and

(2) in paragraph (2)—

(A) by striking “a comprehensive” and inserting “statewide comprehensive”; and

(B) by striking “program of vocational rehabilitation that is designed” and inserting “programs of vocational rehabilitation, each of which is—

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

“(B) designed”.

##### SEC. 409. STATE PLANS.

(a) IN GENERAL.—Section 101(a) (29 U.S.C. 721(a)) is amended—

(1) in the first sentence, by striking “, or shall submit” and all that follows through “et seq.” and inserting “, 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”;

(2) by inserting after the first sentence the following: “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 of the Workforce Development Act of 1995, which shall submit the comments on the State plan to the designated State unit.”;

(3) by striking paragraphs (10), (12), (13), (15), (17), (19), (23), (27), (28), (30), (34), and (35);

(4) in paragraph (20), by striking “(20)” and inserting “(B)”;

(5) by redesignating paragraphs (3), (4), (5), (6), (7), (8), (9), (14), (16), (18), (21), (22), (24), (25), (26), (29), (31), (32), (33), and (36) as paragraphs (4), (5), (6), (7), (8), (9), (10), (12), (13), (14), (15), (16), (17), (18), (19), (20), (21), (22), (23), and (24), respectively;

(6) in paragraph (1)(B)—

(A) by redesignating clauses (i), (ii), and (iii) as clauses (ii), (iii), and (iv), respectively; and

(B) by inserting before clause (ii) (as redesignated in subparagraph (A)) the following: “(i) a State entity primarily responsible for implementing workforce employment activities through the statewide workforce development system of the State,”;

(7) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking “(1)(B)(i)” and inserting “(1)(B)(ii)”;

(B) in subparagraph (B)(ii), by striking “(1)(B)(ii)” and inserting “(1)(B)(iii)”;

(8) by inserting after paragraph (2) the following paragraph:

“(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 that 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 statewide workforce development 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, vocational 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 statewide workforce development system with regard to paying for necessary services (consistent with State law); and

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

“(ii) providing for the replication of such cooperative agreements at the local level between individual offices of the designated State unit and local entities carrying out activities through the statewide workforce development system.”;



(9) in paragraph (6) (as redesignated in paragraph (5))—

(A) by striking subparagraph (A) and inserting the following:

“(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 services 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;”;

(B) by striking subparagraph (C) and inserting the following subparagraphs:

“(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 under 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 providers of one-stop delivery of core services described in section 106(a)(2) of the Workforce Development Act of 1995, and other related services personnel;”;

(10) in subparagraph (A) of paragraph (8) (as redesignated in paragraph (5))—

(A) in clause (i)(II), by striking “, based on projections” and all that follows through “relevant factors”; and

(B) by striking clauses (iii) and (iv) and inserting the following clauses:

“(iii) a description of the ways in which 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;

“(iv) provide satisfactory assurances that the system described in clause (iii) in no way impedes such accomplishment; and”;

(11) in paragraph (9) (as redesignated in paragraph (5)) by striking “required—” and all that follows through “(B) prior” and inserting “required prior”;

(12) in paragraph (10) (as redesignated in paragraph (5))—

(A) in subparagraph (B), by striking “written rehabilitation program” and inserting “employment plan”; and

(B) in subparagraph (C), by striking “plan in accordance with such program” and inserting “State plan in accordance with the employment plan”;

(13) in paragraph (11)—

(A) in subparagraph (A), by striking “State’s public” and all that follows and inserting “State programs that are not part of the statewide workforce development system of the State;”;

(B) in subparagraph (C)—

(i) by striking “if appropriate—” and all that follows through “entering into” and inserting “if appropriate, entering into”;

(ii) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii), respectively; and

(iii) by indenting the clauses and aligning the margins of the clauses with the margins of clause (ii) of subparagraph (A) of paragraph (8) (as redesignated in paragraph (5));

(14) in paragraph (14) (as redesignated in paragraph (5))—

(A) by striking “(14)” and inserting “(14)(A)”;

and

(B) by inserting before the semicolon the following “, 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 hearing comments, and documenting and disseminating information relating to the manner in which the comments will affect services; and”;

(15) in paragraph (16) (as redesignated in paragraph (5)), by striking “referrals to other Federal and State programs” and inserting “referrals within the statewide workforce development system of the State to programs”; and

(16) in paragraph (17) (as redesignated in paragraph (5))—

(A) in subparagraph (B), by striking “written rehabilitation program” and inserting “employment plan”; and

(B) in subparagraph (C)—

(i) in clause (ii), by striking “; and” and inserting a semicolon;

(ii) in clause (iii), by striking the semicolon and inserting “; and”; and

(iii) by adding at the end the following clause:

“(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;”;

(b) CONFORMING AMENDMENTS.—

(1) Section 7 (29 U.S.C. 706) is amended—

(A) in paragraph (3)(B)(ii), by striking “101(a)(1)(B)(i)” and inserting

“101(a)(1)(B)(ii)”;

and

(B) in paragraph (22)(A)(i)(II), by striking “101(a)(5)(A)” each place it appears and inserting “101(a)(6)(A)(iv)”;

(2) Section 12(d) (29 U.S.C. 711(d)) is amended by striking “101(a)(5)(A)” and inserting “101(a)(6)(A)(iv)”;

(3) Section 101(a) (29 U.S.C. 721(a)) is amended—

(A) in paragraph (1)(A), by striking “paragraph (4) of this subsection” and inserting “paragraph (5)”;

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking “paragraph (1)(B)(i)” and inserting “paragraph (1)(B)(ii)”;

(ii) in subparagraph (B)(i), by striking “paragraph (1)(B)(ii)” and inserting “paragraph (1)(B)(iii)”;

(C) in paragraph (17) (as redesignated in subsection (a)(5)), by striking “paragraph (11)(C)(ii)” and inserting “paragraph (11)(C)”;

(D) in paragraph (22) (as redesignated in subsection (a)(5)), by striking “paragraph (36)” and inserting “paragraph (24)”;

(E) in subparagraph (C) of paragraph (24) (as redesignated in subsection (a)(5)), by striking “101(a)(1)(A)(i)” and inserting “paragraph (1)(A)(i)”;

(4) Section 102 (29 U.S.C. 722) is amended—

(A) in subsection (a)(3), by striking “101(a)(24)” and inserting “101(a)(17)”;

(B) in subsection (d)(2)(C)(ii)—

(i) in subclause (II), by striking “101(a)(36)” and inserting “101(a)(24)”;

(ii) in subclause (III), by striking “101(a)(36)(C)(ii)” and inserting “101(a)(24)(C)(ii)”;

(5) Section 105(a)(1) (29 U.S.C. 725(a)(1)) is amended by striking “101(a)(36)” and inserting “101(a)(24)”;

(6) Section 107(a) (29 U.S.C. 727(a)) is amended—

(A) in paragraph (2)(F), by striking “101(a)(32)” and inserting “101(a)(22)”;

(B) in paragraph (3)(A), by striking “101(a)(5)(A)” and inserting “101(a)(6)(A)(iv)”;

and

(C) in paragraph (4), by striking “101(a)(35)” and inserting “101(a)(8)(A)(iii)”;

(7) Section 111(a) (29 U.S.C. 731(a)) is amended—

(A) in paragraph (1), by striking “and development and implementation” and all that follows through “referred to in section 101(a)(34)(B)”;

(B) in paragraph (2)(A), by striking “and such payments shall not be made in an amount which would result in a violation of the provisions of the State plan required by section 101(a)(17)”;

(8) Section 124(a)(1)(A) (29 U.S.C. 744(a)(1)(A)) is amended by striking “(not including sums used in accordance with section 101(a)(34)(B))”;

(9) Section 315(b)(2) (29 U.S.C. 777e(b)(2)) is amended by striking “101(a)(22)” and inserting “101(a)(16)”;

(10) Section 635(b)(2) (29 U.S.C. 795n(b)(2)) is amended by striking “101(a)(5)” and inserting “101(a)(6)(A)(i)(I)”;

(11) Section 802(h)(2)(B)(ii) (29 U.S.C. 797a(h)(2)(B)(ii)) is amended by striking “101(a)(5)(A)” and inserting “101(a)(6)(A)(iv)”;

(12) Section 102(e)(23)(A) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2212(e)(23)(A)) is amended by striking "section 101(a)(36) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(36))" and inserting "section 101(a)(24) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(24))".

#### SEC. 410. INDIVIDUALIZED EMPLOYMENT PLANS.

(a) IN GENERAL.—Section 102 (29 U.S.C. 722) is amended—

(1) by striking the section heading and inserting the following:

#### "SEC. 102. INDIVIDUALIZED EMPLOYMENT PLANS.";

(2) in subsection (a)(6), by striking "written rehabilitation program" and inserting "employment plan";

(3) in subsection (b)—

(A) in paragraph (1)(A)—

(i) in clause (i), by striking "written rehabilitation program" and inserting "employment plan"; and

(ii) in clause (ii), by striking "program" and inserting "plan";

(B) in paragraph (1)(B)—

(i) in the matter preceding clause (i), by striking "written rehabilitation program" and inserting "employment plan";

(ii) in clause (iv)—

(I) by striking subclause (I) and inserting the following:

"(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) by striking subclause (II); and

(III) by redesignating subclause (III) as subclause (II); and

(iii) in clause (xi)(I), by striking "program" and inserting "plan";

(C) in paragraph (1)(C), by striking "written rehabilitation program and amendments to the program" and inserting "employment plan and amendments to the plan"; and

(D) in paragraph (2)—

(i) by striking "program" each place the term appears and inserting "plan"; and

(ii) by striking "written rehabilitation" each place the term appears and inserting "employment";

(4) in subsection (c)—

(A) in paragraph (1), by striking "written rehabilitation program" and inserting "employment plan"; and

(B) by striking "written program" each place the term appears and inserting "plan"; and

(5) in subsection (d)—

(A) in paragraph (5), by striking "written rehabilitation program" and inserting "employment plan"; and

(B) in paragraph (6)(A), by striking the second sentence.

(b) CONFORMING AMENDMENTS.—

(1) The table of contents for the Act is amended by striking the item relating to section 102 and inserting the following:

"Sec. 102. Individualized employment plans."

(2) Paragraphs (22)(B) and (27)(B), and subparagraphs (B) and (C) of paragraph (34) of section 7 (29 U.S.C. 706), section 12(e)(1) (29 U.S.C. 711(e)(1)), section 501(e) (29 U.S.C. 791(e)), subparagraphs (C), (D), and (E) of section 635(b)(6) (29 U.S.C. 795n(b)(6) (C), (D), and (E)), section 802(g)(8)(B) (29 U.S.C. 797a(g)(8)(B)), and section 803(c)(2)(D) (29 U.S.C. 797b(c)(2)(D)) are amended by striking "written rehabilitation program" each place the term appears and inserting "employment plan".

(3) Section 7(22)(B)(i) (29 U.S.C. 706(22)(B)(i)) is amended by striking "rehabilitation program" and inserting "employment plan".

(4) Section 107(a)(3)(D) (29 U.S.C. 727(a)(3)(D)) is amended by striking "written rehabilitation programs" and inserting "employment plans".

(5) Section 101(b)(7)(A)(ii)(II) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2211(b)(7)(A)(ii)(II)) is amended by striking "written rehabilitation program" and inserting "employment plan".

#### SEC. 411. SCOPE OF VOCATIONAL REHABILITATION SERVICES.

Section 103 (29 U.S.C. 723) is amended—

(1) in subsection (a)(4)—

(A) in subparagraph (B), by striking "surgery or";

(B) in subparagraph (D), by striking the comma at the end and inserting "and";

(C) by striking subparagraph (E); and

(D) by redesignating subparagraph (F) as subparagraph (E); and

(2) in subsection (b)(1), by striking "the most severe".

#### SEC. 412. STATE REHABILITATION ADVISORY COUNCIL.

(a) IN GENERAL.—Section 105 (29 U.S.C. 725) is amended—

(1) in subsection (b)(1)(A)(vi), by inserting before the semicolon the following: "who, to the extent feasible, are members of any State workforce development board established for the State under section 105 of the Workforce Development Act of 1995"; and

(2) in subsection (c)—

(A) by redesignating paragraphs (3) through (7) as paragraphs (4) through (8), respectively;

(B) by inserting after paragraph (2) the following new paragraph:

"(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 the statewide workforce development system of the State"; and

(C) in paragraph (6) (as redesignated in subparagraph (A))—

(i) by striking "6024), and" and inserting "6024)."; and

(ii) by striking the semicolon at the end and inserting the following: "and any State workforce development board established for the State under section 105 of the Workforce Development Act of 1995";.

(b) CONFORMING AMENDMENT.—Subparagraph (B)(iv), and clauses (ii)(I) and (iii)(I) of subparagraph (C), of paragraph (24) (as redesignated in section 409(a)(5)) of section 101(a) (29 U.S.C. 721(a)) are amended by striking "105(c)(3)" and inserting "105(c)(4)".

#### SEC. 413. EVALUATION STANDARDS AND PERFORMANCE INDICATORS.

Section 106(a)(1) (29 U.S.C. 726(a)(1)) is amended—

(1) by striking "1994" and inserting "1996"; and

(2) by striking the period and inserting the following: "that shall, to the maximum extent appropriate, be consistent with the State benchmarks established under paragraphs (1) and (2) of section 131(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.".

#### SEC. 414. REPEALS.

(a) IN GENERAL.—Title I (29 U.S.C. 720 et seq.) is amended—

(1) by repealing part C; and

(2) by redesignating parts D and E as parts C and D, respectively.

(b) CONFORMING AMENDMENTS.—The table of contents for the Act is amended—

(1) by striking the items relating to part C of title I; and

(2) by striking the items relating to parts D and E of title I and inserting the following:

#### "PART C—AMERICAN INDIAN VOCATIONAL REHABILITATION SERVICES

"Sec. 130. Vocational rehabilitation services grants.

#### "PART D—VOCATIONAL REHABILITATION SERVICES CLIENT INFORMATION

"Sec. 140. Review of data collection and reporting system.

"Sec. 141. Exchange of data.".

#### SEC. 415. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this title shall take effect on the date of enactment of this Act.

(b) STATEWIDE SYSTEM REQUIREMENTS.—The changes made in the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) by the amendments made by this title that relate to State benchmarks, or other components of a statewide system, shall take effect—

(1) in a State that submits and obtains approval of an interim plan under section 211 for program year 1997, on July 1, 1997; and

(2) in any other State, on July 1, 1998.

#### TITLE V—OTHER PROGRAMS

##### Subtitle A—Amendments to Immigration and Nationality Act

#### SEC. 501. PROHIBITION ON USE OF FUNDS FOR CERTAIN EMPLOYMENT ACTIVITIES.

Section 412(c)(1) of the Immigration and Nationality Act is amended by adding at the end the following new subparagraph:

"(D) Funds available under this paragraph may not be provided to States for workforce employment activities authorized and funded under the Workforce Development Act of 1995."

##### Subtitle B—Welfare Programs

#### SEC. 511. WELFARE REFORM.

(a) FINDINGS.—Congress finds that—

(1) the current welfare system in the United States is failing both the families who rely on the system and the taxpayers who support the system;

(2) the current system encourages dependency and fails to promote self-sufficiency adequately;

(3) one-size-fits-all approaches to welfare reform will not work;

(4) in order to be most effective, reforms of the welfare system should take into account the individual differences among States and among families;

(5) in recent years there has been an alarming increase in the number of births to unmarried teenagers;

(6) between 1986 and 1991, births to teenagers increased by 23 percent, from 50.2 to 62.1 births per 1,000 teenage females;

(7) there is a crisis in the collection of child support that is leaving thousands of families in poverty and is increasing welfare costs to taxpayers; and

(8) in 1991, the United States Commission on Interstate Child Support reported that \$5,000,000 of the \$15,000,000 awarded in child support in 1991 went uncollected.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that any welfare reform legislation enacted by the Senate should be based on the following principles:

(1) Individuals on welfare should, from their first day on welfare, accept responsibility for themselves and their families. The receipt of welfare benefits by an individual should be conditioned on a partnership between the individual and the State in which the partners clearly delineate the steps that the family of the individual will take to enable the individual to move off welfare and into the workforce as well as the services, including child care, that will be provided by the State to enable the family to become self-sufficient. If an individual on welfare

fails to meet the responsibilities of the individual there should be consequences, such as a reduction in welfare benefits.

(2) Each State should be given more flexibility to design welfare programs that effectively respond to the needs of welfare recipients in the State.

(3) Welfare reform legislation should effectively respond to the alarming increase in births to teenage parents.

(4) Both parents have the responsibility for providing financial support for their children, even if the parents are divorced or were never married. Welfare reform should be accompanied by aggressive efforts to improve the collection of child support.

(5) Welfare reform legislation should recognize the interaction between the welfare system and the statewide system to alleviate unintended consequences for persons other than welfare recipients who are in need of workforce development activities, as described in this Act.

(6) Neither political party contributes all of the best policies for welfare reform, so welfare reform legislation should have widespread bipartisan support.

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

##### **SEC. 601. REPEALS.**

(a) **IMMEDIATE REPEALS.**—The following provisions are repealed:

(1) Section 204 of the Immigration Reform and Control Act of 1986 (8 U.S.C. 1255a note).

(2) Title II of Public Law 95–250 (92 Stat. 172).

(3) The Displaced Homemakers Self-Sufficiency Assistance Act (29 U.S.C. 2301 et seq.).

(4) Section 211 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 211).

(5) Subtitle C of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11441 et seq.).

(6) Section 5322 of title 49, United States Code.

(7) Subchapter I of chapter 421 of title 49, United States Code.

(b) **SUBSEQUENT REPEALS.**—The following provisions are repealed:

(1) Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)).

(2) Sections 235 and 236 of the Trade Act of 1974 (19 U.S.C. 2295 and 2296), and paragraphs (1) and (2) of section 250(d) of such Act (19 U.S.C. 2331(d)).

(3) The Adult Education Act (20 U.S.C. 1201 et seq.).

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

(5) The School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

(6) The Wagner-Peyser Act (29 U.S.C. 49 et seq.).

(7) The Job Training Partnership Act (29 U.S.C. 1501 et seq.).

(8) Part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.).

(9) Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(10) Title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.), other than subtitle C of such title.

(c) **EFFECTIVE DATES.**—

(1) **IMMEDIATE REPEALS.**—The repeals made by subsection (a) shall take effect on the date of enactment of this Act.

(2) **SUBSEQUENT REPEALS.**—The repeals made by subsection (b) shall take effect on July 1, 1998.

##### **SEC. 602. CONFORMING AMENDMENTS.**

(a) **IMMEDIATE REPEALS.**—

(1) **REFERENCES TO SECTION 204 OF THE IMMIGRATION REFORM AND CONTROL ACT OF 1986.**—The table of contents for the Immigration Reform and Control Act of 1986 is amended by striking the item relating to section 204 of such Act.

(2) **REFERENCES TO TITLE II OF PUBLIC LAW 95–250.**—Section 103 of Public Law 95–250 (16 U.S.C. 791) is amended—

(A) by striking the second sentence of subsection (a); and

(B) by striking the second sentence of subsection (b).

(3) **REFERENCES TO SUBTITLE C OF TITLE VII OF THE STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.**—

(A) Section 762(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11472(a)) is amended—

(i) by striking “each of the following programs” and inserting “the emergency community services homeless grant program established in section 751”; and

(ii) by striking “tribes:” and all that follows and inserting “tribes.”.

(B) The table of contents of such Act is amended by striking the items relating to subtitle C of title VII of such Act.

(4) **REFERENCES TO TITLE 49, UNITED STATES CODE.**—

(A) Sections 5313(b)(1) and 5314(a)(1) of title 49, United States Code, are amended by striking “5317, and 5322” and inserting “and 5317”.

(B) The table of contents for chapter 53 of title 49, United States Code, is amended by striking the item relating to section 5322.

(b) **SUBSEQUENT REPEALS.**—

(1) **RECOMMENDED LEGISLATION.**—After consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, the Governing Board shall prepare and submit to Congress recommended legislation containing technical and conforming amendments to reflect the changes made by section 601(b).

(2) **SUBMISSION TO CONGRESS.**—Not later than March 31, 1997, the Governing Board shall submit the recommended legislation referred to under paragraph (1).

Amend the title so as to read: “A bill to consolidate Federal employment training, vocational education, and adult education programs and create integrated statewide workforce development systems, and for other purposes.”.

The Senate proceeded to consider the bill.

##### **AMENDMENT NO. 2885**

(Purpose: To provide a substitute amendment)

Mrs. KASSEBAUM. Mr. President, under the terms of the unanimous-consent agreement relating to consideration of S. 143, I send to the desk a substitute amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mrs. KASSEBAUM] proposes an amendment numbered 2885.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under “Amendments Submitted.”)

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I am pleased that today the Senate is considering Senate bill 143, the Work Force Development Act of 1995. This legislation is the product of several years of bipartisan efforts to bring about real and comprehensive reform of Federal job training programs.

I do not think anyone would argue about the need for bold and far-reach-

ing change in our current patchwork of training programs. S. 143 provides that change.

The members of the Senate Labor and Human Resources Committee spent a lot of time in a number of hearings considering innovative, creative and constructive approaches to reform, and I am pleased that we are now going to take up consideration of this bill under a time agreement and give it our full attention.

Right now, the Federal Government runs well over 100 separate job training programs, each with its own set of rules and regulations. In combination, they create a maze of confusion to anyone who needs help getting a job. As often as not, they spell disappointment, not results, for those who have sought assistance in building a better life for themselves and their families.

Year after year, the General Accounting Office [GAO] has worked tirelessly to document how conflicting requirements and program overlap have reduced effectiveness and added unnecessary costs.

What is worse, Mr. President, is that right now we have almost no idea how well any of these programs are performing. The GAO concluded that most Federal agencies have no idea whether their programs work.

As just one example, last year Senator KENNEDY, the ranking member of the Senate Labor and Human Resources Committee, and I asked Department of Labor officials to tell us how many people are placed in permanent jobs after they receive Federal training. With the exception of one program, the Department of Labor keeps no records of how many people get jobs after the taxpayers fund their training. I was not only surprised by this finding but, frankly, troubled as well.

Mr. President, I concluded some time ago that the only way to truly reform Federal job training was to wipe the slate clean and begin again, and that is where the Work Force Development Act starts. This bill repeals over 80 different job training programs. They are wiped off the books, along with the stacks of regulations that go with them.

But the repeal of all the major Federal job training programs is just the first step toward real reform. In place of these programs, S. 143 would give States and local communities the flexibility and the means to fashion training programs and placement services that meet the local needs of job seekers and employers alike.

This is a critical change if we want to be successful in helping people find jobs. S. 143 would combine funds from these 80-odd programs and turn them over to the States and, in turn, to local communities, so that training programs will be tailored to actual jobs available in the community.

Let me emphasize that the Work Force Development Act is more than just another block grant proposal. I

would like to discuss briefly four reasons why I believe this legislation will bring a comprehensive transformation in our approach to job-related training and education.

First, S. 143 will establish in each State a coordinated work force development system where everyone, regardless of why they are unemployed, can find help. Arbitrary eligibility requirements will be gone, as will the duplication now being created by having separate, independent programs offering essentially the same services.

Savings and greater efficiency are bound to result from consolidation, as each State develops its own coordinated plan to meet the needs of its workers and the private sector.

One-stop centers, broadly defined in the bill, form the cornerstone of each State's system. These are places that will be easy to find and easy to use. They will be available to anyone wanting to gain access to basic services, such as job listings, placement help and counseling.

I think, Mr. President, we have done a poor job in our ability to serve and assist those who are looking for jobs, and far too often, there are many individuals who get lost in the cracks.

At these one-stop centers, individuals will be given the full array of available options, from further education to on-the-job training in private industry. Many States have already adopted the one-stop approach, and S. 143 gives each State greater flexibility to adopt a method that works for that State.

The second unique feature of this legislation is its emphasis on accountability. In exchange for flexibility in the use of the funds, each State must set goals and benchmarks laying out how they will improve skills and provide real jobs.

This means that, for the first time, we will know exactly how many persons getting training actually get a job and for how long. Further, if a State fails to live up to its goals and benchmarks, it will face monetary sanctions.

Unlike the current system, States will be accountable for real results, and taxpayers will know what they are getting for their Federal job training dollars.

The third key feature of S. 143 is the significant role it gives to the private sector. It goes without saying that all the job training in the world will not help unless there are jobs available at the end of the road. Ultimately, it is the private sector that will provide these jobs, and they must be brought into the system in an integral way to help develop programs that work for each State and local community.

That is why the active and meaningful involvement of employers and businesses is critical to the success of any job training effort. No legislation can ever guarantee such involvement. Nevertheless, we have assured that businesses, large and small, will be at the table in the planning and implementation of the new system at every level—local, State, and Federal.

In addition, the legislation provides an incentive for greater business involvement, by permitting a limited portion of job training funds to be used for economic development in States which establish formal local boards.

Finally, and perhaps most important, this legislation will forge a new link between education and training. Mr. President, there is one thing that is fundamental to the success of any work force development effort and that is sound, strong education programs. We have often talked about the important link between quality vocational education and job training. But we have done very little to really forge that link in a way that will last, both at the Federal level and the State and local level. Basic education is often the foundation, and should be, of any successful job training program.

While vocational education is clearly aimed toward job preparation, we have paid far too little attention to vocational education over the years. It has been shoved off to the side and not made an integral part of the total work force preparation process.

In spite of the obvious connections, vocational and adult educators and job training providers have lived far too often in different worlds. As often as not, they have operated independently, sometimes at cross purposes.

The Workforce Development Act brings the education and training communities together in each State through a collaborative planning process. This process gives all interested parties the opportunity to sit down together and work toward common goals.

Moreover, they will have every incentive to cooperate because the stakes will be high. S. 143 provides that half of each State's funds be placed in a flexible account to be used in whatever mix of education and training the State sees fit. This flex account will be the vehicle through which all parties will come together to develop a unified training system.

This bill also brings down the walls between training and education at the Federal level. Two offices—one in the Department of Labor, the other in the Department of Education—are both eliminated. They are replaced by a single Federal partnership to oversee State efforts, reducing by at least one-third the number of Federal employees now involved with work force training and education programs.

These four features, I believe, are really the heart of this legislation. We will see the creation of a new initiative that I am convinced will provide far better services than we currently do, through the myriad job training programs that have been added on top of each other over the years without thinking of how they should really fit together.

These four features are one-stop centers, strong accountability, private sector involvement, and links between education and training. Together, they create a new, bold, and innovative ap-

proach to Federal support of work force development.

In addition, the bill contains two provisions that deal specifically with at-risk youth and the disabled. There is a separate subtitle for Job Corps and other activities aimed at addressing the specific needs of our most vulnerable young people.

There will be more discussion on Job Corps in the course of today's debate. But I want to emphasize at the outset that Job Corps is not a part of the block grant. Rather, it remains as a separate program that is fully funded. However, it does mean an end to Federal administration of the Job Corps Program, and allows the States the flexibility to design a program with their Job Corps center that best meets the needs of the population being served there.

Title II amends the Rehabilitation Act of 1973 to integrate vocational rehabilitation programs into the State's training system, while still recognizing the unique requirements of bringing the disabled into the work force.

As I noted at the outset, Mr. President, many years of work have gone into the development of this legislation. Members of the Labor Committee, in particular, have devoted a great deal of time in helping to shape this bill. I want to acknowledge all of their efforts as well as the contributions made by a number of Members who do not serve on the committee.

I also note that it would not have been possible to tackle a project of this scope without the benefit of the expertise of that individual Members brought to this issue.

Senator FRIST was especially helpful in integrating vocational rehabilitation programs for the disabled into the statewide system. Senator DEWINE played a key role in developing a separate provision for at-risk youth. Senator JEFFORDS, as chairman of the Education Subcommittee, was particularly helpful in shaping the education provisions.

On the other side of the aisle, I want to recognize the support and contributions of Senator PELL, ranking member of the Education Subcommittee, whose early and steadfast support has been invaluable. Likewise, the Senator from Nebraska, Senator KERREY, deserves special recognition. He has been a stalwart supporter of job training reform, as a cosponsor of this bill in its earlier versions.

S. 143 has a broad spectrum of support that includes Governors, representatives of the business community, and educators that will play a key role in the development of this new system.

We have received letters of support from the Republican Governors Association, the National Governors' Association, the State Board of Vocational Technical Education, the National School Boards Association, the American Vocational Association, the Council of Great City Schools, the National

Association of Manufacturers, the U.S. Chamber of Commerce, and the National Alliance of Business.

Mr. President, I ask unanimous consent that these letters be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATE OF MICHIGAN,  
OFFICE OF THE GOVERNOR,  
Lansing, MI, October 5, 1995.

Hon. NANCY KASSEBAUM,  
Chairwoman, Senate Labor and Human Resources Committee, U.S. Senate, Washington, DC.

DEAR SENATOR KASSEBAUM: On behalf of the Republican Governors' Association Workforce Development Task Force, we write to indicate our strong support for S. 143, the Workforce Development Act.

As you know, earlier this year, the RGA Workforce Task Force developed a comprehensive statement of principles outlining our vision and recommendations for consolidating existing federal employment and job training programs. We believe your approach as demonstrated in S. 143 lays the groundwork for a statewide workforce development system and meets many of the objectives we named.

While we strongly support S. 143 and urge the full Senate to approve the bill, we oppose amendments that would dismantle the intended consolidation, create new set-asides, or impair the flexibility states would have in implementing the Workforce Development Act. In particular, we oppose amendments requiring mandatory vouchers and mandatory local workforce boards or which limit the authority of Governors in designing and implementing the statewide workforce development system.

Regarding vouchers, while many states are interested in experimenting with vouchers, this remains an untried and unproven delivery system. While we support legislation allowing states to use vouchers as an option, it is inappropriate to impose a mandate at this time when states do not have the administrative capability or resources to immediately implement such a system.

This same reasoning applies to mandated local workforce boards. We believe most Governors will choose to develop a local delivery system. However, some states, in particular small states, may not have the resources to efficiently implement mandated local workforce development boards. It is important to structure local partnerships in a manner best suited for states while recognizing individual differences in the states.

Concerning FUTA issues, we support your efforts to ensure that FUTA revenues remain dedicated to their intended purposes while integrating them into a statewide workforce development system under a Governor's strategic control. We appreciate your work in this direction.

Finally, we believe provisions of the bill providing a 25% set-aside in funding for State Education Agencies should be included in the same block grant that flows to Governors for design of a statewide workforce development system. Education services are a critical component of successful career preparation and training programs. Providing Governors with greater access and linkage to education services will enable us to deliver a uniform, integrated and accountable workforce development delivery structure and eliminate duplication. We appreciate your serious consideration of options to address this issue, and our staff's are prepared to work with you in discussing possible courses of action.

Again, we thank you and your staff for your excellent leadership and hard work. We appreciate the positive working relationship we have enjoyed and the many opportunities you have provided us to participate in the drafting process. We look forward to continuing to work with you as you conference S. 143 with the House CAREERS Act.

Sincerely,

TOMMY G. THOMPSON,  
Governor of Wisconsin.  
JOHN ENGLER,  
Governor of Michigan.  
TERRY E. BRANSTAD,  
Governor of Iowa.  
CHRISTINE TODD WHITMAN,  
Governor of New Jersey.  
GEORGE V. VOINOVICH,  
Governor of Ohio.

NATIONAL GOVERNORS ASSOCIATION,  
Washington, DC, October 6, 1995.

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

DEAR SENATOR KASSEBAUM: We are pleased that the Senate will consider S. 143, the Workforce Development Act, next week and want to express our strong support for your efforts to reform and consolidate federal workforce development programs. While we remain concerned about funding set-asides within the block grant, we believe that this legislation gives states great flexibility while holding us accountable for achieving results. This flexibility is especially critical given federal funding reductions in these programs.

As you put the finishing touches on S. 143 and take up amendments on the floor, our paramount concern is that you give Governors room to design programs that best meet the unique needs of our individual states. States have been moving toward integration of workforce development programs for at least a decade. It is imperative that federal legislation recognize the diversity of these efforts and not override state innovation with overly prescriptive federal rules or mandates. Therefore, we support any modifications that may be made to the bill that would increase the ability of states to develop a fully integrated workforce development system. In addition, we would support the availability of national reserve funds to assist states in the event of natural disasters, mass layoffs or to meet the needs of migrant workers.

We strongly oppose, therefore, amendments that move the bill toward federal micromanagement of the program. These include the following amendments:

An amendment to be offered by Senator Breaux to mandate the use of vouchers for job training services to dislocated workers. Governors support the bill's option for states to use vouchers and many states plan to test the use of them. We cannot support, however, mandating nationally this new service delivery mechanism.

Two amendments to be offered by Senators Jeffords and Pell. The first would place further restrictions on how states may use block grant funds by moving funds out of the "flex account" and into the set-asides for workforce education and workforce employment activities. If this amendment were adopted, two thirds of the block grant funds would be rigidly assigned to certain activities, giving states flexibility with only one-third of the funds. The second Jeffords/Pell amendment would dictate what proportion of funds may be used for vocational versus adult education. We oppose this amendment as further limiting the ability of states to allocate funds according to their citizens' needs.

An amendment that may be offered by Senator Ashcroft to require states to con-

duct drug tests of clients served by workforce development. Given that federal workforce development aid is already being reduced in the appropriations process, we would view this requirement as an unfunded mandate.

An amendment to be offered by Senator Kyl to mandate local workforce boards. While many Governors do intend to create such boards, this decision should be left to states.

Finally, we are concerned about some provisions of S. 143 and hope that we may work with you to resolve them before final passage of any federal workforce legislation. First, we understand that you have added to the bill a provision which preempts state law and court rulings in at least six states by requiring that all block grant funds be subject to all procedures and rules applicable to state funds, including appropriation by state legislatures. We strongly object to this attempt to rewrite state laws through federal legislation and ask that this provision be stricken from the bill. The inclusion of this language could result in funds being allocated in a way that overrides the collaborative process involving the Governor, business representatives, the state education agency, and others required by the bill. If this occurs, state accountability will be lost because there will be no link between the state plan, including state goals and benchmarks, and the allocation of funds.

Similarly, the bill would overturn existing authority for adult and vocational education in at least 15 states by giving sole authority for these programs to state education agencies. State education agencies do not now have authority over funding or administration of these programs in these states. We ask that you revise the bill to recognize the full range of entities that now fund and administer these programs.

We remain opposed to the segregation of block grant funds and administration into workforce employment and workforce education categories. We strongly believe that these activities should be integrated as much as possible, as Congress did under the School-to-Work Opportunities Act. The collaborative group of state education officials, the Governor, workforce officials, and others should be responsible for all of the state plan and all of the funding, not just for the strategic plan and "flex account" funds. This is the only way to achieve an integrated system. We look forward to working with you and your staff during the conference process to give states as much opportunity as possible to integrate workforce activities.

We strongly oppose the bill's requirement that individuals in need of job training have a high school diploma or GED, or be enrolled in adult education, before entering job training. There is no clear evidence that having a GED increases individuals' employability or earnings, and we believe barring these individuals from training is counterproductive. Indeed, research shows that upgrading basic skills within the context of job training can be much more effective than adult education alone. Furthermore, the adult education system does not have the capacity to serve all of these individuals and therefore this requirement could pose an unfunded mandate on states, especially since Congress is simultaneously reducing federal job training and adult education aid to states. This requirement poses a particular problem for serving welfare recipients because, under the Senate's welfare bill, job training may be counted toward meeting work participation rates but adult education may not be counted.

Thank you for considering our views. We look forward to working with you to achieve

final passage of workforce development reform legislation this year.

Sincerely,

Gov. ARNE H. CARLSON,  
*Chair, Human Resources Committee.*

Gov. TOM CARPER,  
*Vice Chair, Human Resources Committee.*

STATE DIRECTORS,  
VOCATIONAL TECHNICAL EDUCATION,  
*Washington, DC, October 5, 1995.*

Hon. NANCY LANDON KASSEBAUM,  
*Chair, Senate Labor and Human Resources Committee, Russell Office Building, Washington, DC.*

DEAR CHAIRMAN KASSEBAUM: We are writing in strong support and with special appreciation for your leadership and strong commitment to the American workforce and to the country's Vocational Education system. The National Association of State Directors of Vocational Technical Education (NASDVTEC) strongly supports the passage of S. 143, the Workforce Development Act of 1995.

Our organization's support is based on S. 143's clear commitment to high quality vocational technical education. The bill provides the opportunity for flexibility, adaptation and change that is essential to the continuous improvement of the vocational technical education system, while assuring a positive partnership between state and local education agencies to plan, administer, and improve programs. We are pleased that the bill provides agencies to plan, administer, and improve programs. We are pleased that the bill provides a specific allocation for education and for the maintenance of state and local funding. These are critical elements to assuring that high quality vocational technical education is available.

NASDVTEC is concerned that the current reduced authorization level (a result of programs being removed from the bill) may jeopardize the ability of the vocational education system to continue to expand and improve to meet the rapidly changing technical needs of employers. We support efforts to return funding for workforce education to its original or increased level.

Thank you for your leadership in preparing this important legislation. NASDVTEC also wants to thank and commend your staff, in particular Wendy Cramer, for her dedication and patience throughout this process. If you have any questions or need any additional information, please do not hesitate to contact me or Kimberly A. Kubiak, NASDVTEC's Associate Executive Director at 202-737-0303.

Sincerely,

MADELEINE B. HEMMINGS,  
*Executive Director.*

STATE DIRECTORS,  
VOCATIONAL TECHNICAL EDUCATION,  
*Washington, DC, October 5, 1995.*

MEMBER,  
U.S. Senate,  
*Washington, DC.*

DEAR SENATOR: The National Association of State Directors of Vocational Technical Education (NASDVTEC) strongly urges you to vote in favor of S. 143, the Workforce Development Act of 1995 when the Senate considers it on Tuesday, October 10, 1995.

Our organization strongly supports S. 143 because of its explicit commitment to quality Vocational Technical Education. The bill provides the opportunity for flexibility, adaptation and change that is essential to the continuous improvement of the vocational technical education system, while assuring a positive partnership between state and local education agencies to plan, administer, and improve programs. We are pleased that the bill provides a specific allocation

for education and for the maintenance of state and local funding. These are critical elements to assuring that high quality vocational technical education is available.

NASDVTEC is concerned that the current reduced authorization level (a result of programs being removed from the bill) may jeopardize the ability of the vocational education system to continue to expand and improve to meet the rapidly changing technical needs of employers. We support efforts to return funding for workforce education to its original or increased level.

Thank you for your support of this nation's only Occupational Education System. If you have any questions or need any additional information, please do not hesitate to contact me or Kimberly A. Kubiak, NASDVTEC's Associate Executive Director at 202-737-0303.

Sincerely,

MADELEINE B. HEMMINGS,  
*Executive Director.*

NSBA,  
*Alexandria, VA, October 5, 1995.*

MEMBER,  
U.S. Senate,  
*Washington, DC.*

DEAR SENATOR: On Tuesday, October 10, you will be faced with a floor vote on S. 143, the Workforce Development Act. School board members are pleased that this bill reflects many provisions that are good for education and we are in support of this legislation. The National School Boards Association represents 95,000 local school board members nationwide who make the key fiscal and education policy decisions for local school districts.

NSBA wants to commend Senator Kassebaum for her sponsorship and leadership during the months of debate on this bill. She, along with committee staff from Senate Labor and Human Resources, have been strong advocates for vocational education and local control. Her bill, S. 143, contains the following provisions which NSBA completely support:

- (1) A guaranteed workforce education allocation of not less than 25% in the block grant funds;
- (2) A local governance structure in which the local education agencies (LEAs) apply to the state education agencies (SEAs) for funds and the LEAs are represented on local workforce development boards;
- (3) A uniform substate formula for the funds to be distributed directly from the SEAs to the LEAs; and
- (4) A supplement, not supplant statement, thereby ensuring that the federal vocational education dollars are used to improve local education programs.

Despite the disappointing authorization level for this legislation, NSBA supports the many fine education provisions in S. 143. NSBA urges you to vote for this bill and not to support any floor amendments which would remove any of these education components. If you have any questions or concerns, please contact Kathryn L. McMichael, Director, Federal Relations, 703-838-6782.

Thank you for your support.

Sincerely,

ROBERTA G. DOERING,  
*President.*  
THOMAS A. SHANNON,  
*Executive Director.*

AMERICAN VOCATIONAL ASSOCIATION,  
*Alexandria, VA, October 4, 1995.*  
Hon. NANCY KASSEBAUM,  
*Chair, Labor and Human Resources Committee, Russell Office Building, Washington, DC.*

DEAR CHAIRMAN KASSEBAUM: Thank you very much for all of your efforts to develop a consolidation proposal for vocational edu-

cation and job training which underscores the value of quality workforce education. The American Vocational Association (AVA) actively is urging the passage of the Workforce Development Act (S. 143).

Since the earliest drafts of this bill were circulated, AVA has been very supportive of the structure of S. 143. We are pleased that the bill promotes innovative approaches to planning and implementing workforce education activities while retaining the critical expertise and authority of state and local educators in developing and administering education programs. Further, your commitment to a specific allocation of education, as well as a sub-state distribution formula and the maintenance of state and local funding, are critical components in attaining the highest quality workforce education.

With the passage of the CAREERS Act in the House, which AVA opposed, it is even more imperative that your bill pass the Senate and that its structure be preserved in conference.

While earlier versions of S. 143 contained a higher authorization level due to the incorporation of a few programs which have now been removed, the resulting bill cuts the authorization to a degree that jeopardizes the potential to improve the quality and expand the availability of vocational education programs. Therefore, AVA urges the passage of the Pell-Kennedy amendment to change the allocation of workforce education, workforce employment, and flexible funds to an even one-third allocation for each.

Again, thank you for your leadership in preparing this important legislation and for considering our views. I also want to thank and commend your staff, particularly Wendy Cramer and Carla Widener, for their dedication and assistance throughout this process. If you have any questions or need additional information, please feel free to contact me or Nancy O'Brien, AVA's Assistant Executive Director for Government Relations, at 703/683-3111, ext. 311.

Sincerely,

BRET LOVEJOY,  
*Executive Director.*

COUNCIL OF THE GREAT CITY SCHOOLS,  
*Washington, DC, October 3, 1995.*

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

DEAR SENATOR KASSEBAUM: The Council of the Great City Schools, the coalition of the nation's largest urban school districts, is pleased to support S. 143, the Workforce Development Act, as it moves to consideration by the full Senate. Your efforts to maintain a distinct occupational education program for secondary students, which is designed and delivered by the nation's schools reflects an important commitment to continuing progress toward the educational goals of the country.

Your bill not only addresses many of the larger issues surrounding occupational education and training, but also specifically deals with important operational details which can make or break a federal legislative initiative, such as the intrastate distribution of funds, and maintenance of effort.

While the Council cannot endorse the lowering of the authorization of appropriations, we still support your bill. One very specific area of concern, however, relates to the loss of the JOBS and other authorizations during the floor action on Welfare Reform. The removal of these authorization levels will lower the overall funds available for the block grant, and thereby also lower funds available for the 25% set-aside for workforce



education. The Council, therefore, is requesting that you support a potential Pell-Kennedy amendment to adjust each of the set-aside percentages in the block grant to 33%.

As you might imagine, the Council of the Great City Schools rarely supports block grant legislation. However, your efforts to craft a pragmatic piece of legislation and to reach out for input from our organization and our colleagues, as well as to the other side of the aisle, require appreciative acknowledgment and our support.

Sincerely,

MICHAEL CASSERLY,  
*Executive Director.*

OCTOBER 5, 1995.

DEAR SENATOR: We write to ask you to vote for S. 143, the Workforce Development Act when it comes before the Senate for consideration on Tuesday, October 10. This legislation maintains the integrity of federal investment in the quality of vocational-technical education and access to adult education, and respects state sovereignty and local authority for education. The separate allocation for workforce education programs and provisions for the active involvement of state and local education agencies and officials in the planning of a comprehensive workforce development system are critical components of America's high-skill, high-wage economy of the 21st Century.

We enthusiastically support the following provisions of S. 143:

A guaranteed allocation of block grant funds for workforce education programs and activities;

Planning and administration of the workforce education program by state and local education authorities and postsecondary institutions, together with procedures for their participation in the development and approval of comprehensive workforce development plans;

A uniform substate formula for distribution of workforce education funds to local schools and postsecondary institutions; and

Assurances that state and local financial effort will be maintained and that federal funds will supplement, not supplant state and local resources for vocational-technical and adult education.

Together these provisions will help sustain a national priority on the quality of the vocational-technical education our students need and access to adult education. They will more closely connect programs under this Act to federal, state and local funding streams for improved education and training. We urge your support of these provisions and call your attention to potential floor amendments.

#### SUPPORT ONE-THIRD ALLOCATION FOR EDUCATION

First, we have a major concern about the total funding for vocational/technical education under this Act and seek your support to increase it. The specific allocations for education and job training within the Workforce Development Act were initially calculated to approximate current federal investment in the antecedent programs. However, removal of the JOBS and food stamp employment authorities from the block grant substantially reduces the total funds available for the Act. The potential impact the legislation offers for planning and sustaining necessary workforce development is jeopardized if the minimum allocations for workforce education and workforce employment programs are insufficient. We strongly urge your support of the Pell-Kennedy amendment which will be offered to raise the guaranteed allocation of education and job training funds from 25 percent of each component to 33½ percent of the block grant for each component.

#### OPPOSE UNDERMINING OF WORKFORCE EDUCATION

Second, we urge also that you oppose any amendment which would undermine or eliminate specific allocations of funds for workforce education activities and oppose any amendment which would supersede state sovereignty and local control in the governance and administration of education.

On behalf of the students, parents, teachers, school leaders, postsecondary providers, and state education officials we represent, we urge your support of S. 143 together with the positions on amendments listed above. Thank you for consideration of our views and concerns.

Sincerely,

American Association of Family and Consumer Sciences.

American Association of School Administrators.

American Vocational Association.

California Department of Education.

Council for Educational Development and Research.

Council of Chief State School Officers.

Council of Great City Schools.

National Association of Secondary School Principals.

National Association of State Boards of Education.

National Association of State Directors of Vocational and Technical Education Consortium.

National School Boards Association.

Texas Education Agency.

Vocational Industrial Clubs of America.

#### NATIONAL ASSOCIATION OF MANUFACTURERS, *Washington, DC, October 4, 1995.*

Hon. NANCY KASSEBAUM,

*Chair, Labor and Human Resources Committee,  
U.S. Senate, Russell Senate Office Building,  
Washington, DC.*

DEAR SENATOR KASSEBAUM: For more than two years, we have supported consolidation and reform of the current plethora of federal job-training programs. We congratulate you, as the chairwoman of the Senate Labor and Human Resources Committee, on your persistent and creative efforts to design a system that is cost-effective, reduces duplications and targets real jobs with systematic involvement of the business community.

You have consistently responded to our concerns. You have been open to the views of the business community as well as other constituencies. You have worked in a bipartisan fashion with Senator Kennedy and your committee to structure a fair approach. S. 143, the Workforce Development Act of 1995, creates a road map for reform and should receive the full endorsement of the Senate when it takes up this measure next week.

The status quo is unacceptable. While there may be ways in which S. 143 could be made even better, we believe swift passage is the correct course. Then we can begin to address the need for a job-training system that works effectively today, when fewer dollars must be spent more wisely. We plan to work closely with you and others on these matters.

Job-training reform is long overdue. It is essential to move forward with the effort to create effective programs that will help the U.S. workforce be the best in the world. We at the NAM and our affiliates at the state level plan to be vigorously involved in the eventual implementation of this effort.

Sincerely,

PAUL R. HUARD.

#### CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA,

*Washington, DC, October 5, 1995.*

MEMBERS OF THE U.S. SENATE: The U.S. Chamber of Commerce, representing 215,000

businesses, 3,000 state and local chambers of commerce, 1,200 trade and professional associations, and 73 American Chambers of Commerce abroad, urges your support for the Workforce Development Act (S. 143), which is scheduled for floor consideration on October 10.

The Workforce Development Act, sponsored by Senator Nancy Kassebaum (R-KS), contains many provisions that the Chamber supports. S. 143 would consolidate and decentralize roughly 100 federal education and training programs into a simpler, integrated block grant system for states. The bill also would enable small businesses and local chambers of commerce to compete with the public sector in the delivery of education and training services; recognize the important role of business in the design and implementation of the new system; and promote the effective use of technology and the development of labor-market information to orient education and training services.

In addition to these provisions, the Chamber is encouraged that the Workforce Development Act maintains the important goal of preparing students and workers for skills needed in the modern workplace. S. 143 aims to achieve this goal by adopting many new approaches to workforce development. Examples include promoting the use of vouchers rather than funding streams for institutions and programs; establishing user-friendly, one-stop delivery centers where individuals and employers can share and obtain relevant job information; opening the door to new measures of accountability rather than relying on the old measure bureaucratic processes; and encouraging the creation of effective business-education partnerships.

Many, if not most, of these provisions are found in the Chamber's policy statement on restructuring the federal training and employment system. A copy of this statement is attached, for your review.

For American business, the knowledge and skills of employees are the critical factors for economic success and international competitiveness. The Workforce Development Act embodies language that can help achieve this end of creating a world-class workforce development system that is responsive to today's skill needs. Again, we urge your support for S. 143, and your opposition to any weakening amendments. Doing so will dramatically enhance the possibility of enacting meaningful workforce development legislation during the 104th Congress.

Sincerely,

R. BRUCE JOSTEN.

#### NATIONAL ALLIANCE OF BUSINESS, *Washington, DC, October 6, 1995.*

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

DEAR SENATOR KASSEBAUM: On behalf of the Alliance, I strongly support Senate passage of S. 143, the Workforce Development Act of 1995. I commend you highly for the consistent bipartisan, consultative approach you have employed, especially with the business community, while developing the text of S. 143 for Senate action on October 10. The legislation takes an historic step toward consolidating dozens of education and training programs into an integrated workforce development system for the states.

The business community supports the innovations in the bill authorizing governors to use proven methods for business involvement such as establishing state and local workforce development boards to help ensure a close link between the services provided and skills needed in the modern workplace. We support one-stop career centers and the use of vouchers. We applaud the emphasis on

program results and accountability for performance, especially against high standards, and the integration of academic achievement with work-based learning.

Provisions in the bill giving a lead role in the design, management, and evaluation of workforce development systems are particularly good when the governor chooses the option of establishing state and local workforce development boards. We believe that a workforce development system will not work effectively without a lead role of employers. Our view, as you know, prefers to mandate the establishment of local workforce development boards for this purpose.

As you go on to perfect this bill through the legislative process, I look forward to working with you to strengthen the role of business in the system, so that the bill's primary goal of workforce preparation and development meets the competitive needs of employers.

Under the bipartisan leadership you have employed and the continued cooperation between the business community and your committee, I am confident that this legislation can result in the most effective workforce preparation system possible for our country.

Sincerely,

WILLIAM H. KOLBERG,  
*President.*

Mrs. KASSEBAUM. Over the past few years, I believe a bipartisan consensus has developed on the need to overhaul current Federal training efforts. I want to especially acknowledge the cooperation of the ranking member, Senator KENNEDY, in moving this bill forward.

Although we may not be in complete agreement about the solution, Senator KENNEDY and I share the desire to reform the current fragmented system. Senator KENNEDY has been a strong advocate for consolidation at the State level. His input in strengthening this bill has been most constructive. I am appreciative of his efforts and support in seeing this legislation fashioned and brought to the floor.

Past job training legislation has reflected a tradition of bipartisan cooperation and support. I hope, as we consider this bill today, we will be able to resolve our remaining differences and emerge with strong work force development legislation that all of us can support and that will be of benefit to all who will be served in the process.

Mr. President, I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, later on today, hopefully, we will have an opportunity to take action on an area of public policy which is of great significance and importance to working families in this country and of great significance and importance to the United States as a nation and its ability to compete—be a competitive society in our own country and also for the United States to be able to compete in the world.

At the outset, I commend the Chair of our Human Resource Committee, Senator KASSEBAUM, for her tireless work in bringing this legislation to the U.S. Senate and for her enormously effective manner in reaching out to Re-

publicans and Democrats alike in trying to sift through various recommendations and ideas and suggestions, to galvanize those into an effort which reflects her driving sense that what is necessary is that we develop training programs that will be suitable for this Nation as we move into the next century, but that also understands there is a proliferation of those programs and there has to be a consolidation, a direction, a flexibility that is retained at the local level in communities, with inputs from the States and local communities, from the business and private sector as well as workers in those communities.

This has been a challenging responsibility. I think all of us in the Senate marvel at her energy and her prioritizing this important area of public policy. To many, probably, in this institution as well as across the country, training programs appear to be something that are rather mundane, but we recognize that without training, continuing upgrading of skills, the inputs of education, the interlocking relationships between training programs and the private sector, the impact on individuals and families in this country really would be profound.

So, this is a very important effort. It was a priority of Senator KASSEBAUM since the time she became Chair and a priority of hers long before, when she was a driving force in our committee to make better sense out of our training and education programs. All of us in the Senate are really grateful for her continued leadership in this very, very important policy area.

For the past 3 years, the members of our committee worked together to consolidate the outdated, overlapping variety of Federal job training and job education programs to create a more effective system providing these services and opportunities for youths and adults. The challenge facing the Nation on this issue is extremely serious. It is gratifying we are able to address it in a genuine spirit of bipartisanship.

For nearly two decades, the income gap between the rich and the poor in the United States has been widening. I will come back to this issue in a few moments. A major part of the problem is that the wages of low- and middle-income workers have been stagnating or declining throughout this period while upper income groups have received much of the benefit of a growing economy. That pattern cannot continue without imposing unacceptable costs on our Nation and our security. This legislation is a key part of our answer to that challenge. It offers a better approach to job training and job education that are the heart of our efforts to improve the skills of American workers in the modern economy.

We are very much in agreement on the need to consolidate and streamline the current fragmented system of multiple job training programs at the local level. Many of our early ideas came in response to the bipartisan "America's

Choice, High Skills or Low Wages?" report in 1990, of the Commission on the Skills of the American Work Force, led by former Secretaries of Labor, Bill Brock and F. Ray Marshall. It was a truly bipartisan effort where we had the former Secretary of Labor under President Carter and the former Secretary of Labor, Bill Brock, who had been a Republican Senator from Tennessee. The members of their committee, which was reflective of business and labor, made a series of recommendations which I will come back to in just a few moments.

One of the major problems highlighted in the report was that the United States is not well organized to provide the highly skilled workers needed to support the emerging high performance work organizations. Public policy for worker training has been largely passive. This legislation is, in large measure, a long overdue response to that report. It addresses the maze of training and education programs, created over many years, for youths and adults seeking the skills and training needed for successful careers.

The job training portions of the Workforce Development Act are a major improvement over current law. They provide the information necessary to tell us, for the first time, whether job training programs are successful in improving the employment skills and earning power of American workers, and they provide needed incentives and sanctions to help us reach our goals.

One of the dilemmas we find ourselves in at the present time is, with the proliferation of various training programs, in many instances, too many instances, the individual being trained is uncertain of the skills that he or she is actually obtaining; at the time of the employment, the employer is unsure of those particular skills; and the taxpayers are unsure how their tax dollars are actually being invested and how valuable that investment really is. That is too often the current situation.

This is an attempt to make sure, No. 1, individuals who are involved in training programs are going to receive the good training and the skills necessary to compete in the economy; No. 2, that the employer is going to know the skills that individual actually has; and, No. 3, the taxpayer is going to know the investment in that individual and in that program is going to mean a stronger economy for us in the future that is going to benefit all of the American community. It is that desire to achieve, with variety, in a flexible way, those goals that is the underlying factor in terms of the support for this legislation.

The bill also lays the foundation for accomplishing two of the highest priorities of a bipartisan majority of the last Congress: effective school-to-work programs for non-college-bound youths, and the one-stop career centers for adults.

When we recognize that three out of four young people who graduate from high school are not going on to higher education but are going on into the job market, and when we take a look at what is happening in the job market for those individuals who just graduate from high school, the difficulty they have in getting an early entry job that provides any meaningful opportunity of acquiring skills necessary to move forward in the economy, we understand the challenge before the country, particularly the limited opportunities for many of these young people. It has been as a result, again, of the bipartisan efforts in the school-to-work programs that we have found advantage in addressing this issue. There have been a number of States that have been moving, with the encouragement of the school-to-work program, aggressively in this area with very, very strong support.

I can think of examples, both of Governor Thompson, a Republican, and his strong support for those concepts in the State of Wisconsin; also the former Governor of the State of Maine, who had been very active in the development of those programs.

This legislation would consolidate funds from a variety of programs and provide funds to States in the form of block grants. Major programs to be consolidated include the Job Training Partnership Act, the JTPA, Carl Perkins Vocational and Applied Technology Act, and the Adult Vocational Act. In addition, nearly 90 other job training and job education programs are included in this consolidation effort.

Mr. President, this effort that we have here today follows the attempt by Congress to be more effective in terms of the training programs. I think all of us understand the complexity and the difficulty that we have in doing a good job in terms of encouraging the acquisition of high grade skills in the individual and in the labor market area.

This represents, I think, the fourth great effort that this country has been involved in various training programs. We had the manpower demonstration administration years ago where we went through the CETA programs. They were discarded in the early 1980's with the leadership and the bipartisan effort that was made under the Senator from Indiana, Dan Quayle, in the development of the JTPA, which was an attempt to try to bring leaders within the local communities into the development of what was called the PIC organizations so that we would address and develop the skills that were necessary within the local community using leaders, business, community leaders, workers as well in those particular areas.

There have been a number of different communities where that particular formula worked extraordinarily well. One of them is my own city of Boston where they developed within the private sector what was called ef-

fectively the technology prep schools which involved the financial institutions in the high schools and a number of the health professions in high schools. The development of the public and private partnership had a very significant success in a number of our communities. But still, there were too many areas where there were gaps and failings. It is with the review of both the advantages and the disadvantages of that program that Senator KASSEBAUM has developed the Workforce Development Act to take advantage of the lessons that were developed through that JTPA in the early 1980's and also the recommendations that have been made upon review of that program and how that program actually could be strengthened.

With the funds available under the block grants, the bill requires each State to spend at least 25 percent of the totals on work force education and another 25 percent on work force employment activities. The remaining 50 percent will be placed in a flex account by which the State will be free to assign to another educator the employment activities. There is always the balance between giving the maximum flexibility into a community that can do an extremely effective job.

I am very proud of the initiatives which have been developed in my own State of Massachusetts that really developed under Governor Dukakis and have been continued under Governor Weld. In particular, Lieutenant Governor Cellucci has really done an extraordinary job with maximum flexibility.

So we want the maximum flexibility to permit these effective programs to grow, and then we also do not want to be into a situation where we are just effectively providing funding that will not be used effectively for those purposes of training and enhancing education. It is balanced.

Senator KASSEBAUM has fought and led our committee with great insight to make sure that the degrees of flexibility are going to be preserved at the local level to the maximum extent possible. This is something which I think is ensured in this legislation.

The dramatic and fundamental change proposed in the legislation will take place under a 3-year State work force development plan. Within this plan the State will include a strategic analysis which will describe the allocation choices for the funds in the flex account. The plan will also include the activities the State will undertake within the work force education and employment functions in order to meet the established benchmarks and goals. This bill mandates that each State's plan must include the establishment of a comprehensive one-stop delivery system which will provide the required course services, labor market information, and job placement activities. The corps services will include skill assessment, job search, placement assistance, employment screening referral and

local labor market information—that sort of one-stop area so that individuals will be able to come into this one-stop area where there will be the assessment of that individual's skills where the job market is, which training programs have been effective, and being able to use the latest in terms of information services so individuals will be able to know which training programs result in individuals actually gaining employment, what their wages will be, reviewing of what the effectiveness of that program will be in 2 years or 3 years down the road so people will say, "Well, when we go into this program, we know that we have the best opportunity developing the kind of skills and that we will have employment not just for 6 months, but for 2, 3 years, and our opportunities to make advancement will be considerable."

That kind of consolidation with one-stop shopping is virtually nonexistent in some communities where there has been development of those programs. The opportunities now with the new kinds of information sharing, computers, and research offers up extraordinary possibilities in terms of enhanced training in the evaluation of these programs.

I underscore what the Senator has said; that is, this very careful evaluation of the various programs that are being developed so that we will have the best information about knowing which programs are working and which ones are weaker.

Another hallmark of the legislation is the extent of flexibility provided to the States. In those States committed to developing the postdelivery system, the benefits will be substantial to those with significant information and assistance. As an example, the work force employment activities are accompanied by an extensive list of permissive services which may be offered to recipients, including the on-the-job training skill and greater entrepreneurial training.

As we know now as compared to where we were 20 or 30 years ago, even in the early part of the 1960's, for someone who worked in the Quincy shipyard on the south shore of Massachusetts—their father probably worked there and their grandfather worked there, and they worked there—they were able to make a very good living. What we have now in the development of the labor market is a recognition that an individual will probably have seven different jobs over the course of their lifetime. And those jobs, in many instances, will necessitate different kinds of skills.

We are dealing with an entirely different kind of labor market situation. This is an attempt to really move us from the past in terms of the types of skills into the modern age and doing it in a variety of different ways that have been outlined by Senator KASSEBAUM.

There will be amendments that will be offered by our colleagues. I will refer to those in just a moment or two.

With respect to the job education, the funds come primarily from vocational education and adult education. The legislation requires a variety of corps activities to be funded with a 25-percent share of the block grant and the flex account allocated to education. These corps activities include vocational education, technology prep, secondary and postsecondary linkages, literacy and basic education services for adult and out-of-school youth, and the integrated academic curriculums.

As Senator KASSEBAUM also pointed out, this bill authorizes \$2.1 billion for education and training activities for at-risk youth. These funds will help to fund the Job Corps activities.

I will also come back to that issue in the course of the debate, and there will be an amendment offered to change the Job Corps rather significantly doing effective kinds of evaluation but basically to preserve the basic and fundamental structure on that program. We will have an opportunity to debate that later in the course of the day.

We have also included a mandatory requirement for the summer youth programs be funded from these resources. The summer youth program is enormously important. Also included in the summer youth programs will be the educational components which have been found to be so important and have made a real difference in the significance of the summer youth programs and also tying those to various employment opportunities.

We have seen, for example, in Boston how the public and the private sectors have moved very effectively together, and how there has been a real effective utilization of summer youth and moving young individuals actually into the private sector employment as a result of either 1 or 2 years participation in summer youth programs.

So that the way this is organized I think really emphasizes the most effective types of summer youth programs.

As Senator KASSEBAUM pointed out, Senator DEWINE was particularly involved in the shaping of those programs.

We have also made substantial progress in a variety of other issues such as retaining the employment service, placing a cap on the economic development expenditures, and protection for employees who participate in the training programs.

Also we are pleased to be able to remove the Workforce Development Act from the welfare reform bill recently passed by the Senate. This act is eminently deserving of independent consideration by Congress.

The series of amendments that we will offer today represent the road we still must travel to finish the job. I believe one of the most important amendments is to honor our commitment to the dislocated workers by retaining the trade adjustment assistance programs. Only a year ago, or 2 years ago, Senators in both parties gave strong support to NAFTA and

GATT. They decided that the trade adjustment assistance is the answer to the crisis of workers dislocated by expanding world trade. Those promises to working men and women will be broken by the pending bill.

In addition, the bill lacks a clear commitment to other dislocated workers. What are we to say to the factory worker whose plant is closed and is moved to Mexico, or to the coal miners who have lost their jobs, or to the timber workers who received their pink slips, or to the bank employees who are lost in the latest megamerger? What are we to say to the people who need training, or education, or job placement services? Unless this legislation is amended, we will be destroying the hopes and dreams of tens of thousands of workers. We have a special responsibility.

The trade adjustment concept goes back a number of years to actually the early 1960's. But we have renewed as a key part of the commitment of this body—and Presidents alike—a commitment for trade adjustments for those individuals who fall into the categories and lose their employment as a result of NAFTA and the GATT. I believe that commitment should be retained.

I know we will have more of an opportunity to get into that discussion later on in the day.

There will also be an amendment offered to preserve the Federal role in the Job Corps Program and to ensure the program remains strong and effective enough to continue its excellent service to our Nation's youth. Republicans in the House increased the funding for the program. They called it one of the few Federal programs that is successful and effective. Instead of addressing legitimate concerns of the current program, the Senate, I believe, goes in an unwise path on this issue. Our Members will make the changes necessary to reform and strengthen this program.

The test of the legislation will be how well it prepares the Nation's work force for the changing economy in the years ahead. American workers are the backbone of the economy. If we invest wisely in them, the country will prosper. If we fail to do so, the current problems will fester, and the economy and the Nation will suffer.

In closing, I want to recognize a member of my staff whose ability and commitment was indispensable in the preparation of this landmark legislation. Steve Spinner, who served on my staff for the past 2 years, helped guide us at every step even as the cancer which finally took his life was ravishing his body. In a sense, this legislation is his monument. To his wife and daughter we extend our heartfelt thoughts and prayers as we carry on his work.

Mr. President, I want to just mention a number of our colleagues who are not on the committee who have been very much committed to the shaping of this legislation. First of all, on the com-

mittee, Senator DODD, for emphasizing the importance of the programs that are related to national activities, recognizing that there are particular challenges that can affect either particular States or regions as the result of the downsizing of Federal contracting. We have seen that issue here in a number of different communities or with particular disasters—the floods in the Midwest, earthquakes, fires in the far West which in many of these instances pass through various jurisdictions and there has been a national impact.

Decisions are being made in the national interest which adversely affect individuals and their families in a very significant way.

No. 1, they lose their job, and with little opportunity, perhaps if they are older, to acquire skills. And we want to make a special effort to ensure that their concerns will be recognized.

That program in the past has been utilized effectively, and I am enormously grateful to Senator KASSEBAUM and our colleagues on the committee for understanding the importance of this program. She has been unwilling to accept as broad a program as many of us would like but I do think has been willing to accept the essential aspect of the program, and we are very grateful for the cooperation we received in that area.

And No. 2, in another very important area which will be talked about by our friend and colleague, the Senator from Louisiana, Senator BREAU, with the development of the vouchers for dislocated workers so that you can maximize flexibility by the individual in their ability to seek out good training programs and give them a greater opportunity and freedom to make judgments in terms of their own future. This is something that has been considered by the committee. I think the way it has been shaped will give us a good opportunity for a very solid program that can be evaluated carefully and may very well offer great opportunity in the future for expansion of training.

Again, I am grateful to the Senator for her willingness to accept the concept of the approach. It is not all of what was initially offered but is certainly something that was, I think, a very commendable idea, accepted in the House. And I commend Senator BREAU and Senator DASCHLE, who have been our principal advocates of this, not just on this legislation but in previous efforts as well.

Later, we will have focus on the trade adjustment by Senator MOYNIHAN and Senator ROTH with an amendment. We will have an amendment on the Job Corps by Senator SPECTER and Senator SIMON, and we will also have an adult education earmark by Senator JEFFORDS and Senator PELL. And I understand there are a few other amendments as well.

Given the magnitude of this legislation, I think it is a real tribute, again, to the chair for the fact that we do have some areas we will have to have

votes on in the Senate, but given the magnitude of this issue and the consolidation of all of these programs and working them through is really a great tribute to her leadership.

I will just say finally, because I see other colleagues who are prepared to address the Senate, what this legislation for this Senator is really about is to try to make sure, as we are moving in the latter part of this century and into the next century, we are going to see progress made for all Americans and American families in as great a lockstep as possible.

From 1950 to 1978, what we saw was that the country was really effectively growing together; with the progress that was being made during that period of time it was effectively shared by all the members of our society and the greatest amount went to those on the lower levels but everyone in the middle and the quintile, the top 20 percent, were also participating in the expansion and the robust nature of our economy.

What we are seeing now from 1980 effectively to 1993 is that those are the upper sectors which are benefiting to the greatest degree; those in the middle and in the middle lower are the ones that are continuing to fall behind. We have no magic wand to be able to bring all of these groups here into the general prosperity area. It is going to take a combination of different efforts on our part.

But one of the very important efforts will be to try to make sure that individuals who are in these areas are going to have both education and skill to the extent that we can provide those. Obviously, a key aspect of the education is done at the local level and at the State level. In higher education, obviously, we have an important responsibility. We have also responsibility in other areas as well.

But in the training programs, that is an area where we can try to ensure that there will be expanded skills for American workers. We can try to make sure, and build successful programs that will ensure, that American workers, as they move into the next century, are going to be at the cutting edge of all new skills.

We know our competitors are doing that. If you read the America's Choice Report, which I would suggest to anyone that really wants to have a good insight into where we are or where we have been and also where our competition is going, you will find out that most of the other industrial nations of the world are moving very aggressively in upgrading their skills in a continuing process. They are doing it with training programs, specific training programs. And they are doing training programs on the job and encouraging the businesses in those countries to participate. And those businesses in those countries do participate.

That is not the typical example here in the United States. It is only about 6 or 8 percent of total corporations that

actually move with aggressive kinds of training programs. And most of those training programs are more to the white-collar workers rather than to the blue-collar workers.

We are trying to demonstrate by example that we have maximum assurance that there will be different opportunities for the acquisition of skills and education for the working families in this country which will effectively enhance their opportunity to improve their own economic vitality and the vital strength of our national economy.

Mr. President, I see others here who want to address the Senate. I am grateful again for the cooperation that was given by all members of the committee, as Senator KASSEBAUM has mentioned. We are very grateful for the participation of Democratic Senators as well as our Republican colleagues.

We look forward to addressing these issues during the course of the day. We know many of our colleagues have just come back. This is legislation which has been announced. We have been available to talk with our colleagues in the Senate. We are prepared to debate these issues and to get a judgment made on these matters so that we can move this very important legislation forward.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. FRIST). Who yields time?

Mr. KENNEDY. Mr. President, how much time is there?

The PRESIDING OFFICER. The Senator from Kansas has 4 hours 15 minutes, the Senator from Massachusetts 3 hours 30 minutes.

Mr. KENNEDY. How much time does the Senator want?

Mr. KERREY. Fifteen minutes.

Mr. KENNEDY. Fine.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. I rise today as an original cosponsor of S. 143, the Workforce Development Act. I should say at the outset I consider this to be one of the two or three most important pieces of legislation this body will consider this year.

I want to, at the outset, commend the Senator from Kansas, Senator KASSEBAUM, for her hard work and willingness to reach out and include anyone who has an interest in work force development. I appreciate very much her openness, her diligence, her pursuit of the objectives. As a consequence of all those things, I believe it is likely this legislation will pass.

Indeed, I believe that it is one of the, as I said, two or three most important measures which will produce something good at the local level. Whether or not people at the local level will actually see some benefit, with this piece of legislation, Mr. President, I believe strongly that they will.

I also want to commend the distinguished Senator from Massachusetts somewhat carefully here. I introduced him not long ago, and the audience began to laugh as I did. So I have to be

careful. I praise the Senator from Massachusetts. It was his request for a study 5 years ago—I believe it was from the GAO—that has provided the foundation for this bill, the foundation being that we have well over 100 different job training programs at the Federal level and the lack of coordination and the lack of accountability makes it difficult for us to be able to say in our States that we are doing all we can to solve the problem of inadequate skills in the work force.

So, Mr. President, as to whether or not this particular legislation will solve a problem, will there be an effect from the cause of our passing this law, of changing this law that is beneficial in the United States, the answer has to be, in my judgment, enthusiastically and overwhelmingly yes.

Last week, during our recess, there was a great deal of attention given to a census in the Department of Labor evaluation of the U.S. economy that indicated that, as a consequence of the economic growth that has occurred in the past few years, there is less poverty in America. That is quite good news. And it is an important piece of information for those of us who still believe it is one of our most important moral challenges to try to help those Americans who live in poverty and that we need to have economic growth in order to accomplish that.

That economic growth will help those who are poor, and is an awfully important and good piece of news for us. But contained in that report as well, Mr. President, was an indication that there is not only an increased concentration of wealth and power, but there is a continuation of a trend toward a widening of incomes between those at the top end of the economic spectrum and those at the bottom end.

This piece of legislation addresses one of the most important reasons why, when we see economic growth, we do not see an increase in prosperity in the middle class; we do not see a growing middle class. And the reason, Mr. President, is that the marketplace for today requires substantially more skills than it has in the past. It places a premium on it. Those with skills are secure. Their wages and salaries are being bid up, and those without skills are seeing their wages not being bid up. They are struggling out there.

In addition, Mr. President, the way we have organized our job training programs is inadequate. Not only is there lack of accountability, but there are eligibility requirements that make it difficult for people to get into programs and difficult for Governors and business people to engage in the task of working with our schools. There are all sorts of institutional and structural barriers that exist at the local level that this piece of legislation addresses.

So I say to those who, when they go home on recess and are faced with questions from citizens, "What are you doing that is constructive? Are you passing or changing any laws that will

improve the quality of life in our community?" this is a piece of legislation that you can point to and say, "Yes. This will help." If you change the law with S. 143, there is no doubt in my mind 10 years from now, as we examine the data as it relates to our economy, we will see people with greater skills and greater income as a consequence of this legislation.

Importantly, I say parenthetically to my colleagues, there is another piece of legislation that would also enable us to say yes to people at the local level if they ask us if a law was going to benefit them. Interestingly, this one was also sponsored by Senator KASSEBAUM and Senator KENNEDY. It is S. 1028. I hope that this body will take it up this year. It is the Health Insurance Reform Act of 1995.

Last year during the debate over health care there was almost unanimous agreement, almost unanimous from Republicans and Democrats, that the least we could do would be to change the law to end the practice of discriminating against people because of preexisting conditions and saying to them that they are not able to port their insurance from one job to another.

The GAO has evaluated this piece of legislation. Twenty-five million Americans would benefit. Again, one of the most impressive tests of this piece of legislation, if S. 143, the Work Force Development Act, passes, is it presents me with an opportunity to say to citizens in Nebraska, "Here is a change in the law that will benefit us at the local level."

So I praise, at the beginning, the distinguished Senator from Kansas and the distinguished Senator from Massachusetts for their work on this legislation and their work, as well, on S. 1028. I hope that both pieces of legislation will become law in this session.

Mr. President, we recently considered welfare reform legislation on the floor of the Senate. I voted against that legislation because I believe, in fact, it will make things worse, not better. There were many differences of opinion on how to best accomplish the goal of revising a welfare system that has unquestionably grown unresponsive to those on welfare, as well as those who are trying to make welfare work.

But the one point of agreement throughout the welfare debate was the need for work, for meaningful employment in the private sector, to take the place of welfare benefits. I believe this bill, the Workforce Development Act of 1995, will do more to free dependence upon public assistance than any other legislation we have considered this year.

Job training and education are the foundations of meaningful employment, and meaningful employment is the foundation of a strong economy. A productive, employed work force translates into less reliance on welfare and, more importantly, leads to a strong self-reliant and globally competitive

work force. This all translates into economic security for each American in the work force and for our Nation as a whole.

If we are to have a well-prepared work force with the training and ability to enter the 21st century, it is essential that we act now, and it is essential that we pass this legislation. We need to continue to work to create high-paying jobs in this country with site-specific training. We must meet the needs of both the employee and the employer in the community in which they work and operate.

Taxpayers spend \$25 billion a year for job training. It is a price we pay for a duplicative system which is not measured and not terribly accountable. We have paid a price in frustration, as those involved in job training on the local and State levels can readily attest, and we have paid the price in underemployment and unemployment, as we have not focused our dollars on the needs of local communities with their specific needs and industries in mind.

The current system of 90 separate job training programs, each clamoring to achieve the same goal, leaves those looking for training to hop from one location or program to another. In addition to being duplicative, these 90 programs are run from Washington, DC, rather than from the communities that understand what skills and training are both needed and effective at the local level.

There are times when I believe it is constructive for the Federal Government to shift the responsibility and the power back to the local and the State level, and job training is a clear example. Those of us who have been Governors, both Republicans and Democrats, will say, I believe, that it is the States that have the best programs for developing jobs and for developing the training programs for those jobs.

There are other incidents where I do not believe that is the case. I believe that the Federal Government ought to be responsible for figuring out how to make health insurance affordable for all Americans. It pleases me today that we have strong bipartisan support for Medicare. That was not always the case. There was a time when Republicans were critical of Medicare. This year, they are not only supportive of that Great Society program, but they want to preserve it for our children and grandchildren. The fundamental principle upon which Medicare rests is that some Americans, regardless of how hard they work and how hard they try, are not going to be able to purchase health insurance. That, it seems to me, should be a Federal program.

I believe it would be a big mistake for this Congress to pass a law that would convert Medicare into a block grant program, but it is a great move forward for this Congress to change the law of block granting the responsibility of job training programs.

The Workforce Development Act has as its goal the meaningful employment

of every American capable of working. It takes two very important steps toward accomplishing the goal.

First, the Workforce Development Act consolidates 90 job training programs into a single block grant to States. It does not just block grant to the States, it develops a coordinated work force development system. Our current job training system is not just duplicative, it is also confusing. Consolidation in the specific language of this bill does not just consolidate, it develops a system at the State and local level that will transform our job training system into a unified system of job training and training-related education.

This bill will end the frustrating process of hopping from one location to another in search of employment services by providing for the establishment of a one-stop delivery system for job search, screening, referral and placement, as well as skill assessments.

The one-stop centers contained in this legislation are unquestionably the foundation for the effort, but there is considerably a lot more that is done in this legislation that gives me confidence we are not just block granting and turning over to the States the responsibility; we are making sure that the taxpayers are getting their money's worth for this effort.

Mr. President, this legislation does not just block grant to the States, it empowers people at the local level and it empowers people in the private sector. It unquestionably will change the environment for job training in America and give citizens who care about job training an opportunity of participating and designing programs at the local level.

Second, the responsibility for directing and operating these training programs is turned over to the State governments. This legislation encourages communities to work together to craft effective job-training programs. It requires the participation of those who have a stake in having a skilled labor force and who understand the needs of local labor markets.

It provides flexibility to the States and local communities for the design and implementation of job training efforts. But, Mr. President, equally important to me, this legislation has monetary sanctions and, for the first time, establishes benchmarks and makes our job training programs accountable. States are not just given flexibility. In exchange for significant and desirable flexibility, they are also, for the first time, going to be held accountable for performance. They must develop a plan, and that plan is not only presented to the Federal Government but, more importantly, that plan is presented to the people in each of the individual States.

This legislation provides for the continuance of our most successful vocational and job training efforts with less



interference from the Federal Government. For example, the block grant is divided three ways: 25 percent of the grant must be allocated to education; 25 percent is allocated to training; and 50 percent is allocated in a flex fund account, funds which a State can use for any employment or education activity the State deems important and relevant to its specific needs.

This legislation, in shifting of power and responsibility to the State and local level, puts heavy emphasis and focus upon education. It stipulates that a portion of the flex accounts should be used for school-to-work activities and that States, such as my State of Nebraska, that received implementation grants under the School-to-Work Opportunities Act, use a portion of their flex funds to continue their school-to-work programs under the terms of that act. This provides for the furtherance of exciting and innovative programs, such as school to work.

The Workforce Development Act provides for a strong foundation for applied learning by allowing States to link academic knowledge to real world applications in their own communities, and by forging a comprehensive sensible system of job training and education, this bill enhances both the ability and opportunity for lifelong learning.

But just as importantly, inside this flexibility, again, not only are the State and local governments engaged, but this piece of legislation empowers and gives an opportunity to the private sector, particularly private-sector employers, and most especially small businesses, to participate in designing the programs.

This change in the law will, in fact, empower Americans in a fashion that will enable them to engage in what, in my judgment, is one of the most difficult problems and most tormenting problems that we face, which is, as I said earlier, this widening gap between the economic haves and the economic have-nots, the threat to the middle class of America, and the insecurity that Americans feel at almost all economic levels in the work force today.

Mr. President, I urge my colleagues to support this bill. We are in the midst of, as all of us know, reform in many areas, including education and labor. Business leaders are constantly admonishing educators to make learning more relevant to the real world. I believe this bill is a giant step forward in that direction. By providing the means and the flexibility by which States and local communities can address their specific job training and education needs and by encouraging educators, industry, labor, and community leaders to forge the alliances necessary to make this happen, we can make the attainment of these skills and knowledge more relevant to the real world in which we live, work, and learn.

Again, I praise and applaud and thank both the distinguished Senator

from Kansas and the distinguished Senator from Massachusetts. They have worked long and hard on this legislation. I am pleased to be able to come to the floor today and join them in cosponsoring it, and I urge its quick and speedy adoption.

I yield the floor.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, my apologies. I was so anxious to jump in and express appreciation to the Senator from Nebraska, I did so before he finished speaking.

Senator KERREY had been a stalwart supporter in the last Congress for major job training reform and has provided the initiative for much of this effort. I value his support and his advice and his belief that this is a very important piece of legislation.

As Senator KENNEDY said, it is probably something that not a lot of people have thought about. It will not cause people to be sitting on the edge of their seats. But in many ways it could be the crux of a major change that could be of great value to a number of people. For that reason, I really very much support and appreciate Senator KERREY's efforts in the early days to continue lending support in efforts to reform the system.

I yield the floor.

Mr. KENNEDY. Mr. President, briefly, I want to also join in thanking Senator KERREY. As a former Governor, he has seen these programs in the State and has awareness about their effectiveness, and he has taken a very special interest in the issues of education and training. We are grateful for his suggestions and involvement in shaping the legislation.

I yield such time as the Senator from Louisiana may need.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. BREAU. Mr. President, I thank the Senator from Massachusetts. Let me start off by commending both the senior Senator from Massachusetts, Senator KENNEDY, and Senator KASSEBAUM from Kansas for the work they have put into this effort. It really has been an outstanding effort. It has been a pleasure to work with them personally, and with their staffs, in order to bring to the Senate today legislation which I think is really incredibly significant. It may not be, perhaps, as interesting or a hot-button issue like some of the issues Congress is now dealing with in terms of tax cuts and what we are doing with Medicare and what we are doing with welfare reform and what we are doing to the Medicaid Program. Those programs are getting a lot of attention in all of the media, and all of the interest groups around the country are taking strong positions in favor or in opposition to what we are doing. There is a great deal of national debate.

I suggest that what we are doing here this morning in the Senate is equally,

if not more important than some of those other great debates going on with regard to Medicare, Medicaid, welfare reform, and the like, because I think that this legislation really speaks to the future of America. Are we going to be a competitive Nation with skilled workers who are able to compete in the work force and compete internationally and not just in our own back yards?

What we are doing today is saying to the American worker, yes, you are important and, yes, we as a Government can do better than we have in the past by giving you the training and education that you need in order to make a difference, in order to get a job in the competitive world that we live in, in order to be able to earn a living to support your family, because that is what this legislation is all about. It is about creating a system under which Americans will be better citizens, better individuals, better able to compete with the competition today, which is universal throughout this globe. It is not just competition within our own borders; it is universal competition throughout the world.

I am not sure how many people would know if you asked them, does the Government do anything for training? A lot of people do not know. We have about 90 different training programs on which we spend probably \$7 billion. We try to have a program for every possible need. I think as a result of these good efforts that we have had over the years, in creating these programs, we have something that is sort of a mish-mash of a whole bunch of different programs. People out there in the real world do not know where to go. Can you imagine a worker who has just lost his job trying to figure out which program he fits under? He goes to some organization and says, "I need help, I lost my job, the company has gone out of business because of foreign competition, and I need to be trained." Somebody dumps in his lap 90 different programs and descriptions about what they do. He has to try and figure out which one he fits under.

That is the way it works now—rather, that is the way it does not work now. If I had 90 different programs dumped in my lap after I lost my job, I would probably run as fast as I could away from all that material, because I am looking for help, not for some intelligence quiz on which program basically fits my needs.

So what I think is so important about this legislation is it takes all of those 90 different Federal programs and consolidates them. The programs I am talking about are the JTPA Program, job training for people who were laid off from their jobs and poor adults and students; TAA, which was a training and cash benefit program for workers laid off because of trade problems; NAFTA transitional adjustment assistance; Job Corps programs; Carl Perkins vocational education programs; adult education programs; school-to-work

programs; programs that we have created for responding to natural disasters or base closings, where we try to train the people.

In other words, we have about 90 different programs on the Federal books. What we are attempting to do with this legislation is to try and consolidate them to make them work better, to give a chance to the people who benefit from these programs to understand better which one best serves their needs. It is organized around a one-stop career center, which means that workers who need help will not have to go out and get help just to find out where to get help. We are essentially saying that we want to let the worker who needs the help know where he or she has to go, without having to hire more people to help them navigate through a maze of Federal programs.

There are some people who say that for every problem, the Government has to find a solution. I think that is what got us into some of these problems in the past, where for every problem we try to create a new job training program. Every time there was a disaster, or a base closing, or a trade impact that affected workers, we created a program to train people. The intentions were wonderful. But I think what we have produced was a convoluted group of programs that have now grown to over 90 Federal programs. And so some have said, well, we ought to do that because that is what Government does, and that is what we as Democrats do—create programs. Others say, look, this is no role for Government. When somebody loses his job because of unfair trade practices, or a natural disaster, or because of downsizing, which is that new word corporations use, or if they lose jobs because of Government cutting back and closing military bases, well, we have no role. The survival of the fittest should govern. If you can find a job, good, and maybe if you cannot, too bad. Some people take that attitude about what Government should not do to help people.

I think the real solution is that both of those perspectives are incorrect. Certainly, they do not fit the dynamics of the situation in the end of the 20th century as we move to the 21st century. Things have changed. People who think Government should have a program for every problem, I think, are wrong. On the other hand, I think people who believe Government has no role at all are also wrong. What we ought to be doing is trying to help people solve their own problems. That, I think, is the proper role of Government—to help create conditions which allow people to make their own decisions and to help them better solve their own problems.

That is what I think this legislation is all about. It helps people understand how they can benefit from the consolidation of all these training programs and lets them decide which one best fits their needs. We all know that the

American worker today is far different from the American worker in the 1930's and 1940's, where people went to work at a plant or factory and stayed there for their whole lifetime. Today, the average American changes jobs several times in their own lifetime. So they have to be constantly trained and given updated information and updated skills about how to compete, because they do not always work in the same place all of their lives, which was what we used to do in society. So things have changed.

One of the greatest programs that I think we as a Government ever invented was the old GI bill, because it worked and it was simple. Government said that people who served their country were going to get help after they finished serving by allowing the Government to help pay them to go to college to get the training they needed to be able to be competitive in American society. One of the good things is that the Government did not try and make all of the decisions. The Government, under the GI bill, did not say to a person that they had to go to a particular college. The Government did not say that you had to take a particular course or a particular line of study or to major in anything that the Government decided you should major in. The wonderful thing about the GI bill is that we trusted individual Americans to make those decisions by themselves. We gave them the funds and said, "Go to school." An individual could go to the school you would like to go to and major in what you think is best for your abilities, your intelligence, your interests; you make that decision. And that is why I think it worked so well. As a result, today, literally, this country has been reshaped by people who have benefited from the GI bill. So, what we have today in this legislation, which I strongly support, is it gives Americans who lose their jobs or find themselves in less beneficial jobs, an opportunity to make some decisions and choices.

It gives the States that are going to be running this program the flexibility to use vouchers, which I happen to think is very, very important. I really think we, in allowing the States to use vouchers, will improve this program. I think, for States to look at the concepts of giving an individual a voucher, giving that person the right to decide where to go to use it to get his training or her training, is a major step in the right direction.

First of all, when you allow an individual to decide where to go to school it creates competition among private institutions and public institutions for that person's interest. I think it is important for the individuals to decide where they want to go to school to get their training, rather than for us in Washington or in some State capital to make that decision for them. When government makes decisions for individuals, the decisions are not nearly as good as if the individual makes that decision.

The second advantage, I think, is competition. Because it will say to all of these schools that provide training that all of a sudden no one is going to dictate they are going to get students. They are going to have to get students based on their ability to serve those students. That is what competition is all about. Schools that are good will survive. Schools that do not meet the needs of the individuals will not survive. That is competition and I think competition, in that sense, will produce better schools, better able to address the needs of individuals who will benefit from these programs.

I think the third advantage of this concept is we will reduce bureaucracy. Because of the system now, that tries to fit people into various programs, we have created a huge bureaucracy of people who just do that. If we allow the individual to make the decision of what is best for him or her, I think we have made a major step in the right direction.

I again compliment the ranking member, the distinguished Senator from Massachusetts, and the Chair of the committee, the distinguished Senator from Kansas, for the tremendous job they have done. This is really landmark legislation. This, for the first time, says we are going to try to consolidate all of these programs and make it simpler and easier for people to understand which program will benefit their particular needs and to give the States more flexibility in how they deliver those services, to give them the option to use vouchers as a means of saying to the individual: You go out and go to an accredited facility. You pick, you choose, you decide what you want to do with the rest of your life. The Government is not going to make that decision for you.

Finally, I think we are saying to American workers that we do care about your future. We do want you to be more competitive. We know a worker in this country will be able to compete—if she or he is well trained, well educated—with workers anywhere in the world.

The theory and theme of this legislation, I think, is yes, there is a role for Government. It is to help people equip themselves to solve their own problems. It is not for government to solve everybody's problems all the time. And certainly not for government to walk away and say you are on your own, it is survival of the fittest and we are not going to care what you do with your future.

I think this approach, in consolidating the programs under the Workforce Development Act, is a major step in the right direction. I commend the Chair and ranking member who will have an amendment to be offered later on that has been worked on over the weekend. The staff is to be commended for using part of the recess, spending this time doing the work they have

done to produce an amendment I think makes a great deal of sense and, hopefully, will be supported by everyone.

This is a good bill. It is landmark legislation. I thank the people who have been so involved in it.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I thank the Senator from Louisiana. As I think all Members know, he has been, over the years, a forceful advocate for this concept, developing the voucher system so a displaced worker could use a voucher system to search out the most effective program for that individual, to maximize individual choice. That has been something he has advocated, not just in this program, but on others as well, that I have had the opportunity to work on with him.

He also was a very strong spokesman to make sure we were going to preserve the basic integrity of the training programs and they were not going to be lost into the welfare system. He was an important leader to getting us where we are now, where we are considering these training programs in a broader context for working families.

So, for that leadership, we are very grateful to him and we thank him.

The PRESIDING OFFICER. Who yields time?

Mrs. KASSEBAUM. Mr. President, I think the Senator from Illinois had asked for 5 minutes.

Mr. SIMON. That is correct. I understand the Presiding Officer may wish to speak on this. He was here before I was. I will be pleased to yield to him.

Mrs. KASSEBAUM. I think he will be happy to have the Senator proceed for whatever amount of time the Senator wishes to use.

Mr. SIMON. Mr. President, I thank the Senator from Kansas and thank the Chair for his courtesy. I commend the Senator from Kansas, as well as the ranking member, Senator KENNEDY, for their work in this field.

I confess, I have mixed feelings about this bill. There are good things in it. One-stop shopping makes a great deal of sense. Labor market information makes a great deal of sense. My staff, who know more about the Adult Vocational Rehabilitation Act than I do, tell me that provision is very, very sound. And I like the idea of consolidation of programs. We have multiplied too many programs. There is just no question about that.

I have to say, I am less than completely enthusiastic about just having block grants to the States. Some years ago we consolidated some education programs and one of those was the school library program. During the whole Depression, not a single library in this Nation closed. But, after we consolidated the school library program into the block grants to the States on education, over half of the school libraries in the State of California, for example, have closed.

This idea of simply giving block grants to the States is not one that I am wildly enthusiastic about. I do believe we have to give States flexibility. If I can use an example the Presiding Officer is very familiar with, when we passed the bill—I was in the House then and worked on this—when we passed the bill requiring all States to give help to young people with disabilities, we did not do that because the Federal Government wanted power. We did it because States were not doing the job. We had a lot of schools that said if you are deaf, if you are blind, if you are in a wheelchair, sorry, we are not going to serve you. A majority of the mentally retarded were not being given any help in our public schools. So we put into law a Federal mandate. Would I be willing to say let us just give this money back to the States, and the States will decide whether they are going to help these young people or not? No. I am not willing to do it.

So, when I look at consolidation and I see school-to-work opportunities just getting started, and by all reports really doing some good—but I do not know what is going to happen in Tennessee or Illinois.

(Mrs. KASSEBAUM assumed the chair.)

Mr. SIMON. The National Literacy Act—by the most conservative estimates, we have 23 million adult Americans who cannot read a newspaper or who cannot fill out a job application form. This is a massive drag on our economy. We have to make our people more productive. Among other things, those adult Americans who have literacy deficiencies are not able to help their kids in school.

So, when I see that we are going to consolidate some of these things, I get concerned.

Then the Job Corps has been—are there problems? You bet. We are dealing with marginal young people. Almost 80 percent have dropped out of school. To just say to States, “You go ahead and run Job Corps, if you want to,” I do not think makes sense.

Senator SPECTER and I will have an amendment this afternoon to keep the Job Corps and to make some improvements in terms of requirements on use of drugs or alcohol and some other things that I think are important. But 73 percent of the Job Corps alumni—these, again, are kids who are marginal—73 percent end up either getting a job or going on to college or to a vocational school.

So I view this legislation, Madam President, with mixed feelings. I commend you and the ranking member for all of the work you have done in this field. You have been a real legislator, Madam President, not only in this field, but with the problems we faced in Africa and in other areas.

I like the idea of consolidation, one-stop shopping, and labor market information. I am not an enthusiastic supporter of just saying to the States,

“You have this money and you make all the decisions.” I want to give some flexibility to the States, but I also want to make sure people get served who need to be served.

Madam President, I yield the floor. I see we are going to get some words of wisdom from my colleague from Tennessee.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from Tennessee.

Mr. FRIST. Mr. President, I rise in support of S. 143, the Workforce Development Act. It is truly forward-thinking legislation. It is responsible legislation. It makes it easier for States to educate and train tomorrow's work force. And it is legislation that takes a balanced approach to accountability.

Mr. President, every day we are faced with choices—even the choice not to change business as usual. I wish to commend my colleague, the chairman of the Labor and Human Resources Committee, for tackling this unwieldy area of Federal policy—job training and employment assistance—and shaping it into a coherent and cohesive proposal.

Without her leadership and tenacity on this matter, the workers of America and their employers, the future of workers of America and their potential employers, and the young people of America and their aspirations would be held off or put off by the current unfocused, untenable, and unjustifiable approach to job training.

Mr. President, through her legislation, the distinguished Senator from Kansas has given States flexibility built on common sense and based on State-defined benchmarks. It includes the availability of financial incentives for focussing on a critical bottom line—helping people prepare for and acquire jobs.

Through her legislation, the Senator from Kansas gives individuals looking for training or jobs access to information and assistance that will lead to personal choices founded in facts as well as hopes—information and assistance that will lead to opportunities which recognize ability and confirm potential, and lead to concrete results.

As Americans move into the 21st century, a more advanced and highly technical job market awaits them. Twenty-five years ago, many speculated the year 2001 would reveal a truly space age society with robots or huge computers performing all of human's work. Those predictions will remain fantasy for many years, but one thing cannot be denied—the workplace is changing both rapidly and dramatically, as new applications for technology are continually discovered.

This increasing use of technology—from FAX machines and lap-top computers to high resolution video teleconferencing—has placed a strain on our work force, which has not always been able to keep up.

It has also created a boom industry, as employers and employees seek out

higher education, job training and retraining programs to remain employable. As a result, the Federal Government spends more than \$20 billion each year to fund dozens and dozens of job training and work force education programs across this country. Tennessee alone spends more than \$237 million in Federal funds to administer myriad programs to prepare and retrain its workers.

But despite more than 100 programs and billion-dollar budgets, there is no real way of knowing how effective this approach actually is—the number of programs is unmanageable and too many overlap or duplicate services.

This lack of accountability and the waste of duplicative services prompted the Senate Labor and Human Resources Committee, of which I am a member, to report out the Work Force Development Act of 1995.

This legislation creates one system that integrates elements of education and training, and gives States the flexibility they need to design and implement programs that meets State-identified needs. States know the needs of their own job markets better than a large Federal bureaucracy, and can tailor their training and education programs to fit the needs of their employers and workers. If we pass S. 143, major Federal training programs would be consolidated within 2 years into one block grant to each State.

Currently, my own State of Tennessee operates more than 25 different job training programs under 9 different departments.

In Tennessee, the department of labor, the department of employment security, the department of human services, the department of education, the department of mental health and mental retardation, the department of economic and community development, the department of youth development, the department of corrections, and the Tennessee Board of Regents all operate separate programs to provide job training to Tennessee workers.

Each program and each department has its own separate bureaucracy and a separate budget.

The Workforce Development Act of 1995 eliminates unnecessary duplication and allows Tennessee and other States to create within their own borders one program that will serve their individual needs more efficiently and at less expense. Most of all, however, this legislation ensures that the program that will be in place will actually help those people who need it.

As chairman of the Disability Policy Subcommittee, I am especially pleased that title II of S. 143 contains amendments to title I of the Rehabilitation Act of 1973, amendments that clearly link State vocational rehabilitation programs to the work force development system envisioned by my colleague from Kansas.

Title I of the Rehabilitation Act authorizes the vocational rehabilitation program which provides Federal funds

for counseling, for training and employment services for individuals with disabilities. The Federal Government provides 78 percent of the funding for the vocational rehabilitation program.

The vocational rehabilitation program began in 1921 initially to help disabled war veterans obtain rehabilitation and employment assistance. Today, it is a major source of employment assistance for many individuals with disabilities, including individuals with severe disabilities. Vocational rehabilitation programs, although operated by State vocational rehabilitation services, are located throughout a particular State. These programs help about a million individuals with disabilities a year, about 20 percent of whom enter the competitive labor market within 12 months. The average cost per person aided is about \$2,500.

The Tennessee vocational rehabilitation program provides but one example of what can happen when the focus of an agency is clear—to get people with disabilities jobs. In 1994, this program in my State served 27,600 individuals with disabilities, of whom 81.2 percent were severely disabled. Of the individuals served, 5,300 were successfully employed, with 90.2 percent of them working in the competitive labor market.

The annualized income of these 5,300 individuals, once they entered the work force, increased from \$6.7 million to \$54 million. Let me repeat. The annualized income of these individuals, once they entered the work force, increased from \$6.7 million to \$54 million, truly an amazing return on a modest Federal investment.

Vocational rehabilitation programs have been one-stop centers for employment assistance for individuals with disabilities for many years. Making these programs a part of the work force development systems which will be authorized by S. 143 is both logical and necessary. By including vocational rehabilitation programs as an integral part of the larger system, two primary outcomes will be achieved. First, individuals with disabilities will be assisted and have access to appropriate supports and services so they can take advantage of what is available through their communities' one-stop centers. Second, vocational rehabilitation professionals will be enabled to provide technical assistance and information about disability related matters to other personnel, who, when appropriate, will be able to assist individuals with disabilities directly.

If vocational rehabilitation programs, which are currently funded at about \$2 billion, had been left out of S. 143, I know we would have seen retraction from emerging collaboration between vocational rehabilitation programs and other job training programs.

Under the comprehensive one-stop centers system in S. 143, any citizen, including one with disability, will have access to core services and more, including assessments, coordination, referrals to other entities, and labor mar-

ket information. An individual with severe disabilities, who may often require specialized, intensive services, may access such services in the same facilities in which core services are provided.

The key is that individuals receive job training and placement assistance and appropriate referrals from and to other parts of the work force development system, not that every service an individual receives be provided in the same location. Throughout the work force development system those individuals involved in coordinating and arranging services would follow the same procedures and policies when interacting with applicants and clients.

I believe these elements in S. 143 send a clear signal to States there will be one system. Vocational rehabilitation services will be a part of that system; individuals with disabilities will be served; individuals with disabilities will not fall through the cracks; and they will not become Ping-Pongs at the mercy of uninformed personnel.

Simply put, by recognizing the record and potential of the vocational rehabilitation program, we have strengthened it and the Workforce Development Act as well.

Given its special place in the world of job training and the range of specialized and intensive services it supports, the vocational rehabilitation program in title I of the Rehabilitation Act becomes a component of the Workforce Development Act through amendment to the Rehabilitation Act, not repeal of title I of the Rehabilitation Act. Through such legislative surgery, we are able to preserve this separate authorization of appropriation for vocational rehabilitation services and clear accountability for the use of these funds through State vocational rehabilitation agencies.

Although during deliberations on the Workforce Development Act in committee we did have our differences with regard to individuals with disabilities, we built and sustained a bipartisan consensus. This consensus should serve us well as we conference with the other body.

In closing, I wish to thank my colleague from Kansas for her leadership and her guidance and her patience that got us to this point today. Acquiring world-class skills for finding a job is neither guaranteed nor easy. It takes effort, information, time, resources, and opportunity. The chairman's bill levels the playing field so that those who make the effort and have the time can access information, resources, and opportunity. Through her legislation, the Senator from Kansas gives us a balanced equation. Tomorrow, America's work force will be at work better trained and better able to compete against global markets. The human value of such outcomes may be hard to measure in specific terms, but I am convinced that we will see a renewed spirit, unleashed pride, and the smiles

that come with confidence on the faces of America, and that is good.

I thank the Chair and yield the floor.

Mrs. KASSEBAUM. Mr. President, I said in my opening statement how much I and the ranking member, Senator KENNEDY, have valued the efforts of the Senator from Tennessee to significantly improve the legislation, and I would like to again express appreciation to Senator FRIST, who worked on the vocational rehabilitation section and strengthened it in ways that I believe have added immeasurably to not only the success of the legislation but I think also the assurance to those in the rehabilitation community that while they want to work to become integrated into the work force, they also want to retain a statutory authority and a funding stream that gives them some certainty they have a voice. And it was the effort of Senator FRIST and staffs on both sides that worked together to develop this section that I think lends great strength to the bill, and I am very appreciative to the Senator.

Mr. FRIST. I thank the Senator.

Mr. President, I ask unanimous consent that questions and answers regarding vocational rehabilitation programs be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE EFFECT OF THE WORKFORCE DEVELOPMENT ACT OF 1995 ON VOCATIONAL REHABILITATION PROGRAMS

QUESTIONS AND ANSWERS

Q. If the Work Force Development Act of 1995, S. 143, were enacted into law, when would the provisions that affect vocational rehabilitation take effect?

A. The effective date of the provisions would vary. S. 143 would allow States up to 2 years to convert to a single work force development system with one-stop career centers. Some States are already engaged in such approaches to job training, information, and placement assistance. In these States, vocational rehabilitation agencies are involved and play a role in helping individuals with disabilities. S. 143, with the State option of a 2-year phase-in, takes into account the fact that States are at differing stages in investing in a single work force development system. In an effort to promote vocational rehabilitation programs continuing their involvement or beginning early involvement in planning and participation in new systems, provisions in S. 143 would allow a State vocational rehabilitation program to transition to the new work force development system, in a manner and by a time table set by its State (within the 2-year limit specified in S. 143).

Q. Does S. 143 repeal any part of the Rehabilitation Act of 1993?

A. No. It amends title I, the State grant program of the Rehabilitation Act. S. 143 would make a State's vocational rehabilitation program an integral component of a State's work force development system.

Q. Does S. 143 affect only the State grant program in the Rehabilitation Act?

A. Yes. It amends no other programs in the Rehabilitation Act.

Q. If the Work Force Development Act of 1995, S. 143, were enacted into law, how would funding for State vocational rehabilitation programs, currently funded through the Rehabilitation Act, be affected?

A. The authorization of appropriations and the funding formula in current law would be preserved. The effect would be that designated State vocational rehabilitation agencies would continue to administer and oversee the use of rehabilitation dollars. This would ensure that designated dollars would continue to be spent to provide job training and placement assistance for individuals with disabilities.

Q. If S. 143 were enacted into law, what services could an individual with a disability expect?

A. Any individual seeking job training and placement assistance, including an individual with a disability, would have access to core services as well as other services a State may elect to offer. The core services would include: Outreach and orientation to services available through one-stop centers, 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, and education.

Q. Does S. 143 recognize that many individuals with disabilities may have specialized needs that must be addressed in order for these individuals to take advantage of job training and placement opportunities?

A. Yes. Any individual with a disability would have access to auxiliary aids and services necessary to enable him or her to take advantage of core services. In addition, if a center also offered other services, an individual with a disability, seeking these services, would have access to auxiliary aids and services if needed. If an individual with a disability has specialized needs that must be addressed to enable the individual to take advantage of what is offered within a one-stop center system, appropriate assistance would be provided by vocational rehabilitation professionals. If a State vocational rehabilitation agency is operating under an order of selection that limits most services to individuals with the most severe disabilities, then this agency could continue such a policy under S. 143. An individual who has a disability not covered by the order of selection could access services through other one-stop centers personnel. In order for these personnel to assist individuals with disabilities, technical assistance from vocational rehabilitation professionals would be available.

Q. If S. 143 were enacted into law, would it be primarily a public system with public employees controlling what services an individual with a disability could access?

A. That decision will be a State decision. Currently, State vocational rehabilitation agencies vary in the extent to which services to individuals with disabilities are provided by public or private entities. In Tennessee today, 75 percent of State vocational rehabilitation dollars are spent on private service providers. S. 143 clearly expects employers' interests and needs to influence the design of a State's work force development system. Moreover, a State will be expected to reach all areas of the State with services. These factors may cause States to expand or redirect how job training and placement assistance are addressed. For example, to be better able to address employers' needs in a timely manner with well-trained workers, a State may expand the use and involvement of private providers and elect to make vouchers available to individuals.

Q. If S. 143 were enacted into law, how would the preferences and choices of an individual with a disability be affected?

A. Amendments to the Rehabilitation Act in 1992 strengthened an individual's role and choices with regard to vocational rehabilita-

tion services. In addition, in these 1992 amendments, the U.S. Department of Education's Rehabilitation Services Administration was directed to develop evaluation standards and performance indicators to judge if individuals with disabilities are being given a meaningful role in the design of their service package and are able to make informed choices about rehabilitation services available. S. 143 does nothing to undermine these 1992 amendments to the Rehabilitation Act. In fact, these 1992 amendments should continue to buttress and strengthen an individual's ability to access services he or she needs and prefers within one-stop centers.

Q. If S. 143 were enacted into law, could an individual with a disability have access to vouchers?

A. Yes, to the extent and under the conditions a State specifies.

Q. What in S. 143 would increase the likelihood that an individual with a disability would receive services? That is, the individual would not be denied services on the basis of disability, not fall through the cracks, or not be treated like a ping pong ball—referred to one agency after another.

A. States are expected to set benchmarks and report on individuals assisted through work force development systems. A State must report on is the number of individuals with disabilities who acquired jobs. Under S. 143, individuals with disabilities should have more opportunities to receive information and services targeted to job openings in their communities. Moreover, since there would be one, and only one, job training and placement assistance system in a State, an individual with a disability could not be turned away or denied core services.

The percent of persons with earned income of any kind increased from 21 percent at application to 90 percent at closure. The gain in the average hourly wage rate from application to the achievement of an employment outcome was \$4.36 per person. Of the individuals achieving employment in fiscal year 1993, their mean weekly earnings at the time of their application to the program was \$32.20, compared to \$204.10 at closure, an average weekly increase of \$164.90.

In 1993, the Government Accounting Office [GAO] found that an individual who completed a vocational rehabilitation program was significantly more likely than an individual who did not complete the program of working for wages 5 years after exiting the program. In addition, the GAO found that individuals who achieved an employment outcome demonstrated four times the gain in wages compared to the other groups studied.

I am also pleased to share with my colleagues the positive impact that vocational rehabilitation is having in my home State of Iowa. During fiscal year 1993-94, 5,717 Iowans with disabilities were rehabilitated through the Division of Vocational Rehabilitation Services. At referral to DVRS, 33 percent has weekly earnings; at closure the rate went to 98 percent. Average weekly earnings rose from \$49.94 at referral to \$229.45 at closure. In addition, the Iowa Department for the Blind provided 765 blind persons with vocational rehabilitation services. At closure the average weekly income was \$352. Seventy-three percent of those rehabilitated found work in the competitive

labor market, including work in occupations such as psychologist, tax accountant, teacher, food service, and radio repair.

Mr. President, as I explained previously in my remarks, under S. 143, title I of the Rehabilitation Act, as amended most recently in 1992, is not repealed; rather it is retained, strengthened, and made an integral component of the statewide work force development system.

For example, the findings and purposes section of title I of the Rehabilitation Act are amended to make it clear that programs of vocational rehabilitation are intended to be an integral component of a State's work force development system. Further, the amendments clarify that linkages between the vocational rehabilitation program established under title I of the Rehabilitation Act and other components of the statewide work force development system are critical to ensure effective and meaningful participation by individuals with disabilities in work force development activities.

Section 14 and section 106 of title I of the Rehabilitation Act pertaining to evaluations of the program are amended to make it clear that, to the maximum extent appropriate, standards for determining effectiveness of the program must be consistent with State benchmarks established under the Workforce Development Act for all employment programs.

Provisions in the State plan under title I of the Rehabilitation Act of 1973 are also amended to include specific strategies for strengthening the vocational rehabilitation program as an integral component of the statewide work force development system established by the State. A cooperative agreement will be required to link the VR agency with the consolidated system. The cooperative agreement will address each State's unique system and will assure, for example, reciprocal referrals between the VR agency and the other components of the statewide system. The linkages will also assure that the staff at both agencies are adequately and appropriately trained. Most importantly, the linkages must be replicated at the local level so that the local office of the VR agency is working closely with the one-stop center in the community to make a seamless system of services a reality.

Many State vocational rehabilitation agencies, including the agency in Iowa, are already involved with efforts to link vocational rehabilitation with other components of the statewide system of work force development. The States that report the most success are those where the vocational rehabilitation agencies are involved in the consolidation efforts at the early planning stages. The other aspect that is critical to ensure success is the replication of cooperative agreements in local communities so that the VR counselors are working closely with the other job training programs in the statewide system.

In closing, Mr. President, I strongly support the provisions S. 143 pertaining to individuals with disabilities. The bill ensures meaningful and effective access to the generic training and education programs. In addition, the amendments to the Rehabilitation Act of 1973 will strengthen and support the involvement of vocational rehabilitation in a State's seamless system of work force development while ensuring the continued integrity and viability of the current program.

Mr. HARKIN. Mr. President, as ranking member of the Subcommittee on Disability Policy, I would like to take a few minutes to discuss the applicability of S. 143, the Workforce Development Act, to individuals with disabilities.

I would like to compliment Senator KASSEBAUM, the sponsor of the legislation and chair of the Committee on Labor and Human Resource, and Senator FRIST, the chair of the Subcommittee on Disability Policy, for including specific provisions in S. 143 that will enhance our Nation's ability to address the employment-related needs of individuals with disabilities, including individuals with significant disabilities. I am particularly pleased that these provisions were developed on a bipartisan basis and enjoy the broad-based support of the disability community.

On January 10, 1995, the Labor Committee heard testimony from Tony Young, on behalf of the Employment and Training Task Force of the Consortium for Citizens With Disabilities. CCD urged the Senate to recognize the positive advances made in the 1992 amendments to the Rehabilitation Act of 1973 and to take a two-pronged approach to addressing the needs of individuals with disabilities in our jobs consolidation legislation. I am pleased that the Senate bill adopted this two-pronged approach.

Under prong one, S. 143 guarantee individuals with disabilities meaningful and effective access to the core services and optional services that are made available to nondisabled individuals in generic work force employment activities and to work force education activities described in the legislation, consistent with nondiscrimination provisions set out in section 106(f)(7) of the legislation, section 504 of the Rehabilitation Act of 1973, and title II of the Americans With Disabilities Act.

The commitment to ensuring meaningful and effective access to generic services for individuals with disabilities is critical. Advocates for individuals with disabilities have often expressed concern that many current generic job training programs such as JTPA have not met the needs of individuals with disabilities. Ensuring access to generic services is critical for many people with disabilities who can benefit from such services.

The promise of access to generic services is also illustrated through other provisions in S. 143. The purposes

of the bill—section 2(b)—include creating coherent, integrated statewide work force development systems designed to develop more fully the academic, occupational, and literacy skills of all segments of the population and ensuring that all segments of the work force will obtain the skills necessary to earn wages sufficient to maintain the highest quality of living in the world. The content of the State plan set out in section 104(c) of S. 143 must include information describing how the State will identify the current and future work force development needs of all segments of the population of the State. The term "all" is intended to include individuals with disabilities.

The accountability provisions in S. 143, section 121(c)(4), specify that States must develop quantifiable benchmarks to measure progress toward meeting State goals for specified populations, including at a minimum, individuals with disabilities.

Under S. 143, State vocational rehabilitation agencies must be involved in the planning and implementation of the generic system. For example, under section 104(d) of S. 143, the part of the State plan related to the strategic plan must describe how the State agency officials responsible for vocational rehabilitation collaborated in the development of the strategic plan. Under section 105(a) of S. 143, the work force development boards must include a representative from the State agency responsible for vocational rehabilitation and under section 118 of S. 143, local workforce development boards must include one or more individuals with disabilities or their representatives.

Under prong two the current program of one-stop shopping for persons with disabilities, particularly those with severe disabilities, established under title I of the Rehabilitation Act of 1973, as amended most recently in 1992, is retained, strengthened, and made an integral component of the statewide work force development system.

The current vocational rehabilitation system has helped millions of individuals with disabilities over the past 75 years to achieve employment. Since the 1992 amendments, the number of individuals assisted in achieving employment each year has increased steadily. In fiscal year 1994, 203,035 individuals achieved employment, up 5.8 percent from fiscal year 1992, the year just prior to the passage of the amendments. Data for the first three quarters of fiscal year 1995 show a 8.4-percent increase in the number of individuals achieving employment as compared to the first three quarters for fiscal year 1994.

In fiscal year 1993, 85.7 percent of the individuals achieving employment through vocational rehabilitation were either competitively employed or self-employed. Seventy-seven percent of individuals who achieved employment as



a result of the vocational rehabilitation program report that their own income is the primary source of support rather than depending on entitlement or family members.

Mrs. KASSEBAUM. Mr. President, I would like to speak for just a moment because at 11:30 we go back into morning business for an hour. We will be debating this later to a far greater extent, but because Job Corps has been raised this morning by several Members, I would like to speak for a moment to this because it is something on which we held several days of hearings. It is a subject on which I have had grave concerns. It has been a very important program through the years. But like many other things, it can stand change that I believe will make it even stronger.

Job Corps, under the legislation that we are considering, remains a residential program for at-risk youth, but it is integrated into the statewide work force development system. Too often today we have Job Corps centers that are federally run that operate independently of the vocational education efforts that are ongoing in the State. These centers remain separate and apart from job service information when we could include them into initiatives better able to help students find jobs.

I think it is just absolutely essential for us today to recognize that there is a population of at-risk youth that need a stronger support system. Many times the Job Corps centers have become, or should become perhaps, detention-center-type efforts, but because there has not been a directive that has focused on the changing needs of the population being served. I think that on the whole we are now doing a disservice. It is not to say that it is not an important initiative. And it remains so under this legislation with its own funding stream and its own section.

But primary responsibility for the operation of the Job Corps centers is transferred to the State. And each center must be linked to the one-stop center and at other local training and education efforts. I think that linkage is vital today to make it a successful effort.

During the 2-year transition period which is called for in this legislation, 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. The criteria used to determine which centers will be closed are as follows. This is, Mr. President, out of 112 centers which are operating with about 8 new ones under consideration.

The criteria would be, first, whether a given center has consistently received low performance measurement ratings under the Department of Labor or Inspector General Job Corps rating system; second, whether the center is among those that have experienced the highest number of serious incidents of

violence or criminal activity; third, whether or not the center requires the largest funding for rehabilitation and repair; fourth, the relative and absolute cost of the centers compared to all other centers; and, fifth, whether the center is among those with the least State and local support.

The centers that we found that were working the best were those that had strong local support, that had strong ties to the community and worked well in that endeavor.

Mr. President, funds saved as a result of these closures as well as additional funds will be allocated to the State for work force development activities directed specifically for at-risk youth. These activities may include, for example, grants to carry out programs to assist out-of-school at-risk youth and participating in school-to-work activities. Under this provision, 85 percent of the at-risk youth funds will be distributed at the local level.

As I say, we will be debating this at some length later on because it is of concern and it has supporters and critics on both sides of the aisle. But it is something, I believe, that is a good example of a program that started with the best of intentions, and still has the best of intentions, but must be looked at in the light of the reality of what we are dealing with today. And I feel those who are participants, the young men and women in the Job Corps Program, are not being served consistently as successfully as I believe they could with some important changes that we could make in this bill. But we will be continuing this debate later. I wanted to mention those aspects of it at this point.

Mr. KENNEDY. Mr. President, I will just yield such time—as I understand it, at 11:30 we will be moving to morning business.

I yield myself such time as I might use.

Mr. President, I will join in the debate and discussion on the Job Corps Program later on in the afternoon and the substance of what I think is an excellently crafted amendment by the Senator from Illinois and the Senator from Pennsylvania, which I think addresses the responses to some of the issues and problems that have been raised during the course of hearings on the Job Corps.

I think we do not want to lose sight of the fact that we are dealing with the most difficult of the young people in our society who, for one reason or another, have in most instances been deprived of a good education. They come from difficult and challenging backgrounds. This is in many instances the last step before a life of conflict and possibly even crime. And when you look over the profile of these young individuals, we recognize the difficulty and the complexity that is presented to a society and to a community in order to try to deal with this.

Part of the problem—we will have a chance to debate this later on in the

course of the afternoon—is the fact that not all the States have the Job Corps at this particular time. Part of the problem is that many of the individuals who come through the Job Corps, the kind of skills that they might be suited for may not be in the Job Corps that is closest to them. They may have a particular aptitude to develop particular skills in the Job Corps that is in the next State or the State beyond that will give them the opportunity.

Part of the problem is to try to give an opportunity for young people to move out of a neighborhood or out of a community in which that neighborhood or community and the associates have had a powerful hold over that individual. We will have a chance to go into greater detail as to the challenges and the demands and also the difficulties of the existing Job Corps issue, but I must say that I have found that the program particularly is of value.

If you take, for example, holding a young person in my own State of Massachusetts inside of what is route 128 that has had any kind of contact with the law costs about \$70,000 or \$75,000 a year; it costs about \$35,000 to \$40,000 outside of Greater Boston, the route 128 area. We are talking about how we are going to come to grips with a group of young men and women, 17 years old, 16 to 18, 19 years old, who have had a very difficult and complex and rough life.

And the question is whether this Job Corps Program can open up some opportunities for these individuals to be constructive and productive and gainful citizens. In many instances it has been an extraordinary success. In some instances there needs to be improvement and strengthening of the program. I do think that the Simon-Specter amendment addresses the particular complexities of the program.

Finally, Mr. President, as I mentioned earlier, I think when we are looking at this legislation, when we are looking at the consolidation of the various programs that Senator KASSEBAUM has pointed out, we are also trying to include in here the best of the recommendations of the America's Choice Program, which I think provided the most comprehensive review of training, apprenticeship programs, what the needs were in our own society, what is happening in other countries, very extensive program and review of countries around the world, identifying those effective programs, those programs that were effective in providing skills and opportunity for young and old alike.

This proposal that is before us, although it does not include many of the different elements of the job training that I would like to see, is, I think, a very, very constructive, productive and innovative way of this Nation coming to grips with the challenge of ensuring the upgrading and continued upgrading of skills for young and old in our society.

I hope that we will have a chance to dispose of these other amendments later on in the afternoon and move the whole process forward.

Mr. PELL. Mr. President, I rise to express my strong support for this legislation, which makes dramatic and sweeping changes not only in job training but also in vocational and adult education.

In job training, change is without a doubt necessary. We need to consolidate programs and to build a system that better meets the needs of those who need job training services. In vocational and adult education, however, the need for a massive overhaul is much less clear. In some ways, we need simply to refine and not revamp what we already have in law.

I am generally pleased with the course that has been set in this bill. It will bring coherence and coordination to a system of too many programs that have often operated at odds with each other. It will focus job training services on those who need them most, and in a way that will help them get the advice, assistance, and training they need.

In vocational and adult education, I believe we have fashioned an agreement that should sustain the strong bipartisan support these programs have traditionally enjoyed. Among the important provisions are: No. 1, are with-in state formula; No. 2, a focus on at-risk students from low-income families; No. 3, maintenance of effort and supplement not supplant language; No. 4, an emphasis on the integration of academic and vocational education; No. 5, the linking of secondary and postsecondary education through exciting programs like tech prep; No. 6, the disaggregation of data to let us know better the progress we are making; and, No. 7, the continuation of the critically important adult education programs.

I would emphasize, however, that we can make this bill even better if we adopt a series of important amendments. I am very concerned, for instance, that adult education should have a separate stream of funding so that its accomplishments are not diminished. I believe that the flexibility account, which constitutes 50 percent of the funding, is too large, and that a better configuration would be one-third for work force education, one-third for work force training, and one-third for the flex account. Further, I believe we should approve an amendment strengthening the Job Corps provisions now in the bill. And, I do not believe that we should repeal the Trade Adjustment Act which helps individuals who because of international competition, and through no fault of their own, have lost their jobs.

Mr. President, I supported this bill in committee largely because of the strong provisions for adult and vocational education. I support it today for the same reasons. However, I believe we have the opportunity to make a

good bill an even better one if we approve amendments such as those I have mentioned. I look forward to a lively and productive debate, and remain very hopeful that the end result will be legislation that has broad and deep bipartisan support.

Mr. DODD. Mr. President, few issues we consider are as directly linked to the future strength of our Nation as those before us today. The education and training we provide today point like a compass to our Nation's future path.

The needs in education and training are clearly great. Because in the last several decades, our economy has been transformed from an economy in which heavy manufacturing was the central element to an economy that is knowledge based.

Technology has and continues to revolutionize today's workplaces. The typewriters that gained widespread use early this century are now basically gone. Computers, with their incredible power and potential, have taken over. It is hard to imagine how just a few years ago we operated without internet, fax machines, or voice mail. In manufacturing, robotics and precision machinery have replaced workers on many assembly lines.

This rapid change makes for an exciting time in today's workplaces. But it also presents us with many challenges. We must assure that education and training provide all with access to the new tools of the trade.

The work force development bill before us today makes many positive changes to meet these challenges. Senator KASSEBAUM has thought creatively about job training and vocational and adult education programs, namely how we can make them more flexible, more customer-friendly, and less redundant while providing critical links between training and labor markets.

This bill includes many promising provisions, including the transition to an accessible "one-stop" work force development system. With Federal leadership, one-stops have been broadly improving access to job training and information services in States across the country.

This bill also integrates vocational education and the Perkins Act as full partners in the larger work force development system. Since we last visited vocational education in 1988, vocational education has been on the cutting edge of school reform—tech-prep and school-to-work have established promising new models that ensure youth get the knowledge and skills they need to pursue successful careers and complete their education. The Work Force Development Act continues and strengthens these important efforts.

We have worked hard on this bill in the Labor Committee and made much progress—progress which has continued as we have approached today's floor consideration.

I am particularly pleased that the bill now includes a summer jobs pro-

gram for at-risk youth. In committee, I offered an amendment restoring the Federal Summer Jobs Program, which has made a profound difference for youth across the country, and especially in our poor, urban centers. While the provision in the bill before use today does not go as far as my amendment, it will ensure that States establish vital summer jobs programs.

In addition, the bill now also includes important worker protections. It integrates, rather than eliminates, the successful employment and training administration into the State structure. The Federal governance structure has also been substantially improved to recognize the primary responsibility of the Secretaries of Education and Labor.

I am especially pleased that several other changes I offered in the past weeks and months are a part of the bill we consider today, including increased parental involvement in vocational education and improved conflict of interest language.

That said, I remained concerned about some aspects of the bill before us.

I strongly believe we should make some provision in this bill for mass worker dislocations, especially those that affect more than one State, that are the result of Federal action or that are caused by natural disasters. Such mass layoffs and dislocations are often too much for any one State to handle, and we have a tradition of Federal involvement in this area. I plan to offer an amendment on this point. Without this amendment, the Federal Government would have no way of addressing mass worker dislocations, and States would be left to deal with them alone. I hope my colleagues will support my amendment.

In addition, I hope that we can restore the Job Corps Program. Senator KASSEBAUM has spoken often of the need to reform Job Corps, and I agree we should work together in a bipartisan fashion to build on the considerable progress the administration has already made in this area. But I do not believe the Job Corps provisions in this bill qualify as real reform. The bill arbitrarily pulls a number out of the air and says that 25 Job Corps centers must be closed.

It makes this determination before a national audit is complete—that's evocative of Judge Roy Bean's famous dictum to "hang 'em first, try 'em later." The bill would also ship management of this successful national program to the States—endangering the future of the Job Corps as well as multiplying one administrative structure by 50.

We can also improve upon the support offered for actual job training services. The work force development system, as proposed, will provide workers with information on local and State labor markets, with skills assessment and job search services. But it will

guarantee workers very little in the way of real training.

Two amendments to be offered today will go a long way in providing workers with real training. The Breaux amendment will provide support for one of the most innovative training tools—training vouchers. Under his amendment, dislocated workers will be empowered to make key decisions about training.

Senator MOYNIHAN will offer an amendment to restore the Trade Adjustment Assistance Program. Repealing TAA, as this bill does, breaks a covenant with America's workers, many of whom have felt the dark side of free trade. I believe strongly that free trade is, on balance, good for America and our workers. But it is clear there must be assistance in helping workers transition to, train for and locate jobs in growing industries.

Finally, I remain concerned about maintaining a Federal commitment to adult education. Adult education has provided thousands of needy Americans with assistance in gaining literacy skills that make them better citizens, better parents and better workers. For these Americans, these dollars provide dignity. I think we must assure that these adults continue to receive these critical services through this new system.

I want to come back to the big picture for a moment. Education and training have always been bipartisan issues and I hope they can be on this bill. Through the amendments today, it is clear we can work through some of the concerns that remain to fashion consensus legislation that will be good for American workers and good for American students. I pledge to be a part of that dialog and am hopeful that at the end of the day, this will be legislation that I can support.

Mr. KENNEDY. I see the hour of 11:30 has approached.

#### MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, we will be in a period for morning business for not to exceed 1 hour to be divided equally between the Senator from Texas [Mrs. HUTCHISON] and the Senator from Georgia [Mr. NUNN].

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

#### NATO EXPANSION

Mrs. HUTCHISON. Mr. President, Senator NUNN's plane is late, so I am going to start this dialog. Senator NUNN and I and other Democrats and Republicans have been talking about NATO expansion. We are very concerned that the debate needs to take place, that Americans need to understand what is important, what the

questions should be, and what should be the criteria for the expansion of NATO.

After all, all of us understand that NATO is a mutual defense pact. And if we expand NATO, we must ask for and receive from the entering nation defense assurances, and we must also give those same defense assurances. Therefore, we are talking about American troops and American tax dollars, just as all of our NATO allies will be looking at the obligations they must accept.

All of us must realize how very important and crucial this decision is going to be. The expansion of NATO is a strategic decision that must not be made in haste and must not be made before we answer the crucial questions.

So Senator NUNN and I are taking this hour, along with others of our colleagues, to talk about it. Let us raise some of the questions that we think need to be answered, and let us look at potential alternatives, as well as the actual expansion of NATO, and the timetable that we might look at if we decide to make that decision.

The political map of Europe has changed dramatically since the toppling of the Berlin Wall. Just as these changes were a direct result of half a century of American leadership and NATO resolve, so, too, does the future of peace and stability in Europe depend on a strong and enduring NATO.

With the collapse of the Soviet Union and the rise of new governments, along with old ethnic and border disputes in Eastern Europe, a new set of challenges confronts the North Atlantic alliance.

A NATO study just released last week takes a decidedly positive stance toward the possibility of expanding NATO membership. The NATO study is specific in that it asserts that new NATO members will have the same benefits and obligations of all the other members of the alliance.

The study also anticipates no change in NATO nuclear policy or in the forward basing of NATO ground forces. These points are important, as far as they go. However, there are a number of very serious issues raised by the issue of NATO enlargement, and these questions need to be analyzed thoroughly before the United States and our NATO allies commit ourselves to this course of action.

First, although the NATO study talks about expansion leading to increased stability and security, it is largely silent on the real why of NATO enlargement. The real why is the deep concern in Eastern Europe and the Baltic countries about a future threat from Russia and the West's stake in responding to this potential threat.

Second, the study does not address the Russian reaction to NATO expansion. It notes that Russia has raised concerns which NATO is attempting to address, but the fact is that eastward NATO expansion in the near future is almost certain to prompt opponents of

democracy and economic reform in Russia to new heights of paranoia and provocative nationalism. It could weaken the prodemocracy and proreform elements of the Russian polity that we should be striving to support. Rather than strengthening stability and security in Eastern Europe, repercussions in Russia from rapid NATO expansion could undermine our most important national security goal.

Third, full NATO membership for the nations of Eastern Europe has the potential to draw the United States and our NATO allies into regional border and ethnic disputes in which we have no demonstrable national security interest.

Many Americans and many of us in Congress have serious reservations about President Clinton's proposal to commit United States troops to a peacekeeping force in the former Yugoslavia. This is an issue we will debate here at a later date. But disagreements about the wisdom of this commitment within this body across our Nation and within NATO are directly relevant to NATO expansion.

Is it in America's interest to enter into treaty obligations that could end up committing American military and political power to current and future regional border and ethnic disputes in Eastern Europe and the Balkans?

When President Clinton argues that we must put troops on the ground in Bosnia in order to keep faith with our NATO allies and our leadership within the alliance, it illustrates perfectly the very real risks of rapid NATO expansion. Before the United States and our NATO allies take this step to guarantee mutual defense, we must acknowledge that the potential for civil war and border and ethnic strife in Eastern Europe is high. After years of vacillation and debate about what America should do about Bosnia, we must also acknowledge that there has not been a clear policy. To embark on NATO expansion without resolving this crucial question could be disastrous.

Potential flash points in Eastern Europe and the Balkans are easy to identify. Current and potential NATO members are directly involved in every one of them: Serbian opposition to Kosovo's aspirations to independence; Greek opposition to Macedonian independence; longstanding border disputes between Poland and Ukraine; unresolved problems stemming from the breakup of the former Yugoslavia.

If we move ahead rapidly with NATO expansion and the full mutual defense and security commitments that such membership implies, would that set the stage for direct American military involvement in such disputes as we have been drawn into in the conflicts in the former Yugoslavia? That is a very important question that we must answer before we take such a giant step.

Mr. President, there are alternatives to rapid NATO expansion, alternatives