

NLWJC - Kagan

DPC - Box 021 - Folder 004

Education - Skills Grants & GI Bill

Please comment on this draft Presidential Signing Statement on HR 1385 (Workforce Investment Act) by 10:30 a.m., Wednesday, August 5, 1998.

Thanks.

STATEMENT BY THE PRESIDENT

Today, I am pleased to sign into law H.R. 1385, the Workforce Investment Act of 1998. This legislation represents the culmination of bipartisan efforts of the Congress and the Administration to reform our workforce development system so that it empowers America's workers and responds to the economy of the twenty-first century.

More than three years ago, I proposed a G.I. Bill for America's Workers to inject choice, competition, and individual responsibility into national workforce policy. I am pleased that this legislation, with overwhelming bipartisan support, incorporates key principles of my proposal. These principles -- including individual opportunity, leaner government, State and local flexibility, accountability, and the private sector partnership -- will permit individuals and States to craft a lifelong learning system that respects individual priorities, reflects local conditions, and delivers results.

The new workforce development system embodied in this legislation will consolidate dozens of Federal programs and create "individual training accounts" -- or skill grants -- providing valuable resources directly to American workers who need to enhance their skills. Instead of the decades old system of letting bureaucrats dispense services through top-down, inflexible bureaucracies, this new system would let the workers of America choose the training they need, at any eligible institution they choose. H.R. 1385 will provide workers and job seekers high quality information on jobs, career options, and success records of training institutions, so that they can make informed choices. And it will offer all Americans easy access to employment and training services through one-stop career centers.

I am pleased that the Workforce Investment Act continues the remarkable progress we have made on the education front. This legislation supports my efforts to expand lifelong learning by streamlining and improving the quality of adult education and family literacy programs. The bill also reauthorizes and includes important reforms to the Rehabilitation Act, including simplifying program requirements, improving accountability, and enhancing consumer choice throughout the rehabilitation process. In addition, it takes serious new steps to ensure that all information technology procured by the Federal Government is accessible to individuals with disabilities.

Finally, I am especially gratified that this legislation includes my Youth Opportunity proposal. This program will help give hope to tens of thousands of out-of-school youth living in Empowerment Zones, Enterprise Communities, and other high poverty areas by helping them secure good jobs and a brighter future.

The Workforce Investment Act will expand opportunities for working men and women in today's vibrant, global economy. It will help close the gap dividing those with skills to compete and those without them. And it will help business benefit from a more skilled, highly productive workforce. For these reasons, I am delighted to sign the Workforce Investment Act of 1998.

Total Pages: _____

LRM ID: CJB266

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Tuesday, August 4, 1998

A G.I. BILL FOR AMERICA'S WORKERS: REFORMING THE JOB TRAINING SYSTEM

March 6, 1998

"Again, I ask the Congress to continue its bipartisan work to consolidate the tangle of training programs we have today into one single G.I. Bill for Workers, a simple skills grant so people can, on their own, move quickly to new jobs, to higher incomes and brighter futures."

President Clinton
January 27, 1998

With A Vote Scheduled For The Week of March 16th, The President Calls on the Senate to Pass Job-Training Reform. In September 1997, the Senate Labor Committee unanimously approved the bill, S. 1186: Workforce Investment Partnership Act. This bill builds on the President's 1995 proposal for a G.I. Bill for America's workers to reform the web of job training and adult and vocational education programs and help prepare the American workforce for the 21st Century. Senator Lott has indicated that this bill will come to the floor the week of March 16th. Today, the President calls on the Senate to pass this important legislation organized around his four basic principles:

- **Empowering Individuals.** Through Skills Grants, report cards to inform consumers' choices, and universal access to core services like job-search assistance, job training reform will empower individuals, providing adults seeking training or retraining control over their own careers. This customer-driven system replaces the decades-old tradition of making job training decisions for adults through bureaucratic systems. This individual empowerment will make the job training system more responsive to the skill needs of the market.
- **Streamlining Services.** Through the consolidation of myriad individual training programs into a single system and through the nationwide implementation of One-Stop Career Centers (centers that consolidate multiple training and employment programs at the "street level"), this reform effort will streamline the job training system. Over the past few years, the Administration has entered into partnerships with over 40 states to build a One-Stop system, and today, there are over 500 in operation. This reform would expand One-Stops nationwide.
- **Enhancing Accountability.** Through tough performance standards — for both governors and localities — and by requiring training providers to be certified by, for example, the Higher Education Act (HEA), this reform enhances accountability. Performance measures will include rates of job retention, earnings, and job placement.
- **Increasing Flexibility.** Job training reform would provide additional flexibility. For example, the Secretary of Labor will have permanent authority to waive burdensome Federal job training rules in exchange for performance improvements. This will allow states and local areas to implement innovative job-training programs.

A Bill Incorporating These Principles Has Already Passed The House. In May 1997, the House — with overwhelming bipartisan support — passed a job training reform bill (H.R. 1385: The Employment, Training, and Literacy Enhancement Act) which incorporates these principles: it allows for individual empowerment through career grants; it establishes a "full-service" employment and training delivery system; it establishes indicators of performance to hold states and localities accountable; and it includes *additional flexibility through waiver authority*

Education - skill grants

BR/EK
FYI. Interesting
Tom

n, a10

1 of 1 items

CQ's WASHINGTON ALERT 11/20/97

*** FULL REPORT -- DIGEST, LEGISLATIVE ACTION, COSPONSORS, SPEECHES ***

MEASURE: S1186

SPONSOR: DeWine (R-OH)

BRIEF TITLE: Workforce Investment Partnership Act of 1997.

OFFICIAL TITLE: A bill to provide for education and training, and for other purposes.

QUICK REFERENCE: Consolidate and reauthorize job-training and vocational education programs

INTRODUCED: 09/17/97

COSPONSORS: 3 (Dems: 2 Reps: 1 Ind: 0)

COMMITTEES: Senate Labor and Human Resources

CQ BILLWATCH BRIEF:

S1186 would consolidate and reauthorize job-training and vocational education programs.

The bill would let states create a unified plan for all of their social services related to job training, and vocational and adult education. Funding for the programs would remain separate, but states could file a single request for federal aid.

Under unified plans, states would be encouraged to provide one-point entry into job-training programs and other social services. For example, social-service providers would offer welfare payments, food-stamp applications and job training or career counseling all at a single location. The "one-stop" customer services centers would coordinate various forms of federal social aid.

S1186 also would revise evaluation standards for Job Corps programs, which are federal work programs for troubled youth. The programs would have to provide:

-- Increased assurances that youth would be placed in the Job Corps centers closest to their homes;

-- Guarantees that activities and training are consistent with the state and local plans developed by partnerships;

-- Training that matches the existing and future employment opportunities in the areas students would seek upon graduation from Job Corps;

-- And recruitment and placement providers that would be subject to performance measures. If a center does not meet its expected performance level, the operator would have to answer for the shortfalls by changing programs, or the center would be closed.

The bill also would integrate elements of academic and vocational education into combined programs. For example, one of the proposals, the Tech Prep program, would combine secondary and post-secondary education so students could work on an associate's degree and a two-year vocational training certificate at the same time. Bill proponents said coordinating and combining programs would help avoid duplicating

services.

Related House bills (HR1385, HR1853) were introduced.

CQ BILLWATCH INSIGHT:

The Senat Labor and Human Resources Committee approved S1186 by voice vote Sept. 24, 1997.

Committee Chairman James M. Jeffords, R-Vt., said floor action on the bill may occur within a month, but he has doubts about whether the House and Senate can agree on the legislation this year.

The House has passed two separate bills (HR1853, HR1385) dealing with vocational education and job training. Jeffords said trying to combine the proposals and then resolving differences between the House legislation and S1186 may prove difficult.

SHORT TITLE AS INTRODUCED:

Workforce Investment Partnership Act of 1997

Carl D. Perkins Vocational and Applied Technology Education Act of 1997

Tech-Prep Education Act

Adult Education and Literacy Act

CRS DIGEST:

10/15/97 (Reported to Senate, amended)TABLE OF CONTENTS:

Title I: Vocational, Technological, and Tech-Prep Education

Subtitle A: Vocational Education

Subtitle B: Tech-Prep Education

Subtitle C: General Provisions

Subtitle D: Authorization of Appropriations

Subtitle E: Repeal

Title II: Adult Education and Literacy

Subtitle A: Adult Education and Literacy Programs

Subtitle B: Repeal

Title III: Workforce Investment and Related Activities

Subtitle A: Workforce Investment Activities

Subtitle B: Job Corps

Subtitle C: National Programs

Subtitle D: Administration

Subtitle E: Repeals and Conforming Amendments

Title IV: Workforce Investment-Related Activities

Subtitle A: Wagner-Peyser Act

Subtitle B: Linkages with Other Programs

Subtitle C: Twenty-First Century Workforce Commission

Title V: General Provisions

Workforce Investment Partnership Act of 1997 - Establishes a coordinated system of Federal aid programs for vocational education, adult education, and job training at State and local levels.

*Title I: Vocational, Technological, and Tech-Prep Education - Carl D. Perkins Vocational and Applied Technology Education Act of 1997 - Replaces the current Carl D. Perkins Vocational and Applied Technology Education Act (CDPVATEA).

*Subtitle A: Vocational Education - Chapter 1: Federal Provisions - Directs the Secretary of Education (the Secretary under this title) to reserve certain amounts of vocational education funds for: (1) assistance for the outlying areas; (2) Indian and Hawaiian Native programs; (3) grants to tribally controlled postsecondary vocational institutions; (4) incentive grants to States; (5) national activities; (6) national assessment of vocational education programs; and (7) national research centers. Sets forth State allotment formulas for the remainder of vocational education funds.

(Sec. 112) Directs the Secretary to establish and publish performance measures to assess the progress of each eligible agency in achieving certain goals for students with respect to academic, job readiness, and vocational skills, postsecondary degrees or certificates, secondary and postsecondary education, employment, military service, and nontraditional vocational education programs. Requires each eligible agency, in developing a State plan, to negotiate with the Secretary the expected levels of performance for such measures.

(Sec. 113) Sets forth requirements for use of reserved funds for assistance for the outlying areas, Indian and Hawaiian Native programs, grants to tribally controlled postsecondary vocational institutions, and incentive grants to States.

*Chapter 2: State Provisions - Makes each eligible agency responsible for State administration of programs under this title.

(Sec. 122) Requires State reservation of certain portions of vocational education funds for: (1) State leadership activities; (2) technical assistance for gender equity; (3) State planning, review of local applications, program evaluation, and compliance; and (4) criminal offenders programs. Requires the remainder to be distributed to local secondary school and postsecondary vocational education programs. Allows the eligible agency to determine the portion of funds that will be available for secondary school and postsecondary programs. Sets forth a State matching requirement with respect to a specified portion of funds under this subtitle.

(Sec. 123) Sets forth mandatory and permissible State leadership activities.

(Sec. 124) Requires coordination of the three-year State plan under this title with the period for the State plan under title III of this Act. Sets forth requirements for State plan development, contents, approval, and reports.

*Chapter 3: Local Provisions - Sets forth formulas for State distribution of funds for: (1) secondary school vocational education; and (2) postsecondary vocational education. Allows alternative allocation formulas for postsecondary programs if the eligible agency demonstrate that certain conditions are met.

(Sec. 133) Sets forth mandatory and permissible local activities.

(Sec. 134) Sets forth minimum requirements for local applications.

*Subtitle B: Tech-Prep Education - Tech-Prep Education Act - Revises provisions for tech-prep programs (which are currently under the CDPVATEA which this title replaces).

(Sec. 154) Retains the mandate for the Secretary's discretionary grants to specified local consortia for such programs when program funding is below a specified minimum. Prescribes the formula for allotments to States for State competitive and formula grants to such programs.

(Sec. 155) Revises requirements for the content of tech-prep education programs and for additional authorized activities.

(Sec. 156) Requires the eligible State agency (currently a State board) to approve applications for State grants by eligible entities.

(Sec. 157) Authorizes appropriations.

*Subtitle C: General Provisions - Provides for program and funds administration, evaluation, improvement, and accountability for programs under this title.

(Sec. 163) Authorizes the Secretary to carry out research, development, dissemination, evaluation, capacity-building, and technical assistance activities under this title.

(Sec. 164) Directs the Secretary to: (1) conduct a national assessment of vocational education programs assisted under this title, through studies and analyses conducted independently through competitive awards; (2) appoint an independent advisory panel on the implementation of such assessment; and (3) report to the Congress.

(Sec. 165) Authorizes the Secretary to establish one or more national centers in the areas of: (1) applied research and development; and (2) dissemination and training. (Revises and replaces provisions for such centers which are in the current CDPVATEA.)

(Sec. 166) Directs the Secretary to: (1) maintain a data system to collect information about, and report on, the condition of vocational education and on the effectiveness of State and local programs, services, and activities carried out under this title; and (2) annually report to Congress on the analysis of performance data collected each year.

*Subtitle D: Authorization of Appropriations - Authorizes appropriations.

*Subtitle E: Repeal - Repeals the Carl D. Perkins Vocational and Applied Technology Education Act (CDPVATEA).

*Title II: Adult Education and Literacy - Adult Education and Literacy Act - Replaces the Adult Education Act (AEA), the National Literacy Act of 1991, and other adult education and literacy programs.

*Subtitle A: Adult Education and Literacy Programs

*Chapter 1:

Federal Provisions - Directs the Secretary of Education (the Secretary under this title) to reserve certain portions of adult education and literacy funds for: (1) national leadership activities; (2) incentive grants; (3) the National Institute for Literacy; and (4) grants to States.

(Sec. 212) Directs the Secretary to establish and publish performance measures to assess the progress of each eligible agency in enhancing and developing more fully the literacy skills of the adult population in the State or outlying area, including certain measures. Requires each eligible agency, in developing a State plan, to negotiate with the Secretary the expected levels of performance for such measures.

(Sec. 213) Authorizes the Secretary to establish a program of national leadership activities for adult education.

*Chapter 2: State Provisions - Makes each eligible agency responsible for State administration of programs under this title.

(Sec. 222) Specifies percentages for distribution of State grant funds to eligible providers (including programs for corrections education and other institutionalized individuals), State leadership activities, and administrative expenses of the eligible State agency.

Sets forth a State share requirement equal to 25 percent of the total amount expended for adult education in the State. Authorizes the Secretary to decrease such amount for an eligible agency serving an outlying area.

(Sec. 223) Requires the eligible agency to use reserved funds for one or more of specified State leadership activities in adult education and literacy.

(Sec. 224) Requires three-year State plans from eligible agencies as a condition for grants. Allows the eligible agency to submit such State plan as part of a comprehensive plan or application for Federal education assistance. Sets forth requirements for State plan contents and approval procedures.

(Sec. 225) Sets forth provisions for adult education and literacy programs for corrections education and other institutionalized individuals.

*Chapter 3: Local Provisions - Directs each eligible agency to use State grant funds to award multiyear grants or contracts to eligible providers to adult education and literacy activities.

(Sec. 232) Sets forth local application requirements and local administrative cost limits.

*Chapter 4: General Provisions - Provides for program and funding

administration, priorities and preferences, incentive grants for States, and evaluation, improvement, and accountability for programs under this title.

(Sec. 245) Revises requirements for the National Institute for Literacy (which are currently under AEA, which this title replaces). Renames the Institute's Board as its Advisory Board.

(Sec. 246) Authorizes appropriations.

*Subtitle B: Repeal - Repeals the Adult Education Act (AEA), the National Literacy Act of 1991, and certain adult education and literacy program provisions under the Refugee Education Assistance Act of 1980.

*Title III: Workforce Investment and Related Activities - Replaces the Job Training Partnership Act and certain other Federal job training law. *Subtitle A: Workforce Investment Activities

*Chapter 1: Allotments to States for Adult Employment and Training Activities, Dislocated Worker Employment and Training Activities, and Youth Activities - Directs the Secretary of Labor (the Secretary under this title) to make allotments to States with approved State plans, and grants to outlying areas, to assist local areas in providing, through a statewide workforce investment system: (1) adult employment and training activities; (2) dislocated worker employment and training activities; and (3) youth activities, including summer employment opportunities, tutoring, activities to promote study skills, alternative secondary school services, employment skill training, adult mentoring, and supportive services.

(Sec. 302) Sets forth formulas for determining amounts of such State allotments and grants to outlying areas for such activities.

(Sec. 303) Directs State Governors to establish and appoint the members of a statewide partnership to assist in the development of the State plan.

(Sec. 304) Sets forth requirements for State plans.

*Chapter 2: Allocations to Local Workforce Investment Areas - Sets forth formulas for within-State allocations to local workforce investment areas.

(Sec. 307) Directs State Governors to designate local workforce investment areas in accordance with State plan requirements. Provides for automatic designations in the case of large local governments, counties, and other local political subdivisions. Allows any small State eligible for minimum allotments to be designated as single State local area.

(Sec. 308) Requires that local workforce investment partnerships and youth partnerships be established in each local area of a State.

(Sec. 309) Sets forth requirements for local plans.

*Chapter 3: Workforce Investment Activities and Providers - Authorizes the chief elected official and the local partnership to: (1) develop and implement operating agreements to appoint one-stop partners; (2) designate or certify one-stop customer service center operators; and (3) conduct oversight with respect to the one-stop

customer service system in the local area.

(Sec. 312) Requires certain State and local procedures for determination and identification of eligible providers of training services by program.

(Sec. 313) Authorizes youth partnerships to identify eligible providers of youth activities.

(Sec. 314) Sets forth both required and allowable statewide workforce investment activities, including mandatory statewide rapid response activities.

(Sec. 315) Sets forth both required and permissible local employment and training activities. Requires establishment of a one-stop customer service system at the State level and one-stop customer service centers in each local area. Requires such centers to provide specified core services and required training services to participants. Gives priority to disadvantaged adults for receipt of limited local adult employment and training activities. Sets forth customer choice requirements. Authorizes local areas to use certain funds for additional permissible local activities, including intensive and customized services and supportive services for certain participants, and needs-related payments for dislocated workers.

(Sec. 316) Sets forth certain required elements in the provision of local youth activities. Requires that at least 50 percent of funds for such youth activities be devoted to out-of-school youth.

*Chapter 4: General Provisions - Sets forth accountability requirements for: (1) State and local performance measures; (2) reports and information dissemination; (3) State program evaluation; and (4) fiscal and management accountability information systems.

(Sec. 321) Authorizes the Secretary to make incentive grants to States that exceed State performance measures.

(Sec. 322) Authorizes appropriations for: (1) adult employment and training activities; (2) dislocated worker employment and training activities; and (3) youth activities.

*Subtitle B: Job Corps - Revises provisions for the Job Corps. (Currently such provisions are under the Job Training Partnership Act (JTPA), which this title repeals and replaces.)

(Sec. 335) Provides for Job Corps: (1) recruitment standards; (2) graduate readjustment allowances through local one-stop customer service centers; (3) industry councils; (4) management information.

(Sec. 334) Revises Job Corps requirements for: (1) individual eligibility; (2) screening, selection, assignment, and enrollment; (3) Job Corps Centers; (4) program activities and continued services; (5) counseling and job placement; (6) support; (7) operating plan; (8) standards of conduct; (9) community participation; (10) advisory committees; and (11) experimental, research, and demonstration projects.

(Sec. 351) Extends the authorization of appropriations for the Job Corps.

***Subtitle C: National Programs - Provides for workforce investment activities and supplemental services under programs for: (1) Native Americans and Native Hawaiians; (2) migrant and seasonal farmworkers; and (3) veterans. (Replaces similar programs which are currently under JTPA.)**

(Sec. 364) Directs the Secretary to make youth opportunity grants to eligible local partnerships to provide specified activities to increase the long-term employment of eligible youth who live in empowerment zones, enterprise communities, and high poverty areas.

(Sec. 365) Authorizes the Secretary to make incentive grants to States that exceed: (1) the State performance measures established by the Secretary of Education under this Act; and (2) the State performance measures established under this title.

(Sec. 366) Directs the Secretary of Labor to provide technical assistance to States to help with transitions, general performance improvement, and dislocated worker training improvement.

(Sec. 367) Directs the Secretary to publish a biennial plan for demonstration, pilot, multiservice, research, and multistate projects.

Sets forth requirements for such projects under such plan, including competitive award procedures and peer review.

(Sec. 368) Directs the Secretary to provide for continuing evaluation of programs and activities under this title. Authorizes the Secretary to conduct evaluations of other federally funded employment related programs and activities.

(Sec. 369) Authorizes the Secretary to make national emergency grants for: (1) employment and training assistance to workers affected by major economic dislocations; (2) disaster relief employment; and (3) additional assistance for dislocated workers, under certain conditions.

(Sec. 370) Authorizes appropriations for specified programs and activities under this subtitle.

***Subtitle D: Administration - Sets forth requirements for: (1) labor standards, prohibitions on worker displacement, and other requirements relating to use of funds; (2) prompt allocation of funds; (3) monitoring; (4) fiscal controls and sanctions; (5) reports, recordkeeping, and investigations; (6) administrative adjudication; (7) judicial review; (8) nondiscrimination; and (9) State legislative authority.**

***Subtitle E: Repeals and Conforming Amendments - Repeals: (1) the JTPA; and (2) the Displaced Homemakers Self-Sufficiency Assistance Act.**

(Sec. 391) Repeals certain provisions relating to employment and training assistance under various Federal laws, including the Stewart B. McKinney Homeless Assistance Act, the Immigration Reform and Control Act of 1986, and the Appalachian Regional Development Act of 1965.

***Title IV: Workforce Investment-Related Activities**

***Subtitle A: Wagner-Peyser Act - Amends the Wagner-Peyser Act to direct the Secretary to: (1) assist in the coordination and development of a nationwide system of public labor exchange services, provided as**

part of the one-stop customer service systems of the States; (2) assist in the development of continuous improvement models for such nationwide system that ensure private sector satisfaction with the system and meet the demands of jobseekers relating to the system; and (3) ensure, for individuals otherwise eligible to receive unemployment compensation, the provision of reemployment services and other activities in which the individuals are required to participate to receive the compensation.

(Sec. 406) Provides for coordination of State plans under the Wagner-Peyser Act and this Act.

(Sec. 407) Repeals the mandate for a Federal Advisory Council on problems relating to employment.

(Sec. 409) Sets forth requirements for a system of labor market information. Authorizes appropriations for such system.

*Subtitle B: Linkages with Other Programs - Provides for linkages between programs under this title and specified employment and training assistance programs under: (1) the Trade Act of 1974; (2) the National Apprenticeship Act; (3) veterans employment programs; and (4) the Older Americans Act of 1965.

*Subtitle C: Twenty-First Century Workforce Commission - Twenty-First Century Workforce Commission Act - Establishes the Twenty-First Century Workforce Commission to study and report to the President and the Congress on all matters relating to the information technology workforce in the United States.

(Sec. 439) Authorizes appropriations.

*Title V: General Provisions - Allows for State unified plans for two or more of specified one-stop customer service system programs, including programs under titles I, II, or III of this Act, as well as specified programs under the Food Stamp Act of 1977, the Trade Act of 1974, the Wagner-Peyser Act, the Rehabilitation Act of 1973, the Older Americans Act of 1965, State unemployment compensation and Federal unemployment insurance, and certain work programs under the Social Security Act, as well as activities of the Bureau of Apprenticeship and Training, and training activities of the Department of Housing and Urban Development.

CRS SUBJECT INDEX TERMS:

- Job training
- Academic performance
- Accounting
- Administrative remedies
- Age discrimination in employment
- Aged
- Agricultural labor
- Agriculture
- Alien labor
- Apprenticeship
- Armed forces
- Bilingual education
- Budgets
- Business
- Business records
- Children

Civil rights
Civil rights enforcement
Communications
Community colleges
Competitive bidding

, that

would create a commission to help prepare workers for information technology jobs. Approved by voice vote September 24, 1997.

09/24/97

** COMMITTEE VOTE ** S1186. Job Training Consolidation/Vote to Report. Consolidate state job training, adult education and vocational programs; permit states to create a unified plan covering the three areas so participants would have a central point of entry to various job-training programs; establish a central customer-service center where job-seekers may use various employment services. Reported favorably to the House floor by voice vote September 24, 1997.

09/24/97

Ordered to be reported by the Senate Labor & Human Resources Committee amended. (CR p. D999) (WR p. 2320)

10/15/97

Reported to the Senate with an amendment in the nature of a substitute by the Senate Committee on Labor and Human Resources and placed on the Senate Legislative Calendar. SRpt 105-109 (CR p. S10858)

There are no more items to display.

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Search criteria used:

BILL:S1186

Results are: Bill number as entered

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| 2 REFINE your search on prime topic | 14 ACTION detailed action (no speeches) |
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| 5 GRAPH relevance ranking | 17 MILESTONE key action dates table |
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with floor debate to follow on Tuesday.

Appropriation staff are pre-conferencing the disaster supplemental in preparation for a Tuesday conference. House and Senate floor action on the Conference Report is expected by Thursday.

Republican Bill Redmond was elected the newest Member of the House of Representatives this week. He will fill the seat of former Representative Bill Richardson. The swearing in ceremony will take place on Tuesday, May 20th.

CONGRESS TODAY (5/16):

SENATE

No Legislative Business

HOUSE

Passed (343-60) H.R. 1385, the Employment, Training and Literacy Enhancement Act of 1997 (Open Rule); While under consideration, the House rejected (168-238) an Owens amendment to reauthorize such sums as necessary for youth employment training programs.

[SAP sent, 5/15: Administration supports House passage, but will seek amendments in the Senate]

Adopted (voice vote) Obey motion to appoint conferees for the Supplemental Appropriations Bill to insist on the House position with respect to funds for the WIC program.

CONGRESS -- LONG-TERM SCHEDULE

SENATE

Monday, May 19th

Convene at 12 noon for morning business. At 2:15 the Senate will begin floor discussion of the Concurrent Budget Resolution. No votes before 5:00 pm. The Senate aims to complete action on the resolution prior to the Memorial Day Recess.

Tuesday, May 20th and the remainder of the week:

The Senate may resume consideration of H.R. 1122, the Partial-Birth Abortion Ban Act, on Tuesday, with the intention of holding a final vote early in the week.

[SAP sent, 5/14: President will veto]

If the Budget Committee completes its action on Monday, the Senate will resume consideration of the Budget Resolution on Tuesday.

THE WHITE HOUSE

Elena -

Per our conversation.

Let me know who
I should talk
to at DPC
about this.

Thanks

Bill K (re:)

Emily

Bill - I'm giving Emily your
name. Please let me know
where this goes. Elena

Education - skill grants + GI bill

**ROUGH WORKING DRAFT
STATE AND LOCAL COALITION AGREEMENT**

ISSUE	PRINCIPLES
<p>1. PROGRAM CONSOLIDATION</p>	<p>The coalition believes that as many major programs as possible should be consolidated into a single workforce development system. These programs should be consolidated to ensure maximum efficiency in designing and implementing a comprehensive and seamless system with major and appropriate roles for Federal, state and local governments.</p>
<p>2. FUNDING</p>	<p>Consolidation or greater coordination of the federal workforce development programs should be done for the purpose of providing states and localities with the flexibility they need to design and implement world-class workforce development systems. It should not be used as a means to reduce the federal deficit. In addition, funding for workforce development should be a major national investment priority. To facilitate rational planning, Congress should provide forward funding for these programs. Timely allocation of federal funds is essential to permit uninterrupted services to those in need. Federal funding should be provided at no less than FY97 levels. States should be able to carry forward any funds allotted for a program year up to two subsequent program years. Localities should be able to carry forward funds for one year after its initial allocation. Of the funds held at the state, such funds may be used to directly purchase education, training and employment services.</p> <p>Allotment of funds to the states should include a minimum allotment for small states and a "hold harmless" provision to moderate year-to-year fluctuations. State and local shares of funding under the new programs shall be proportional to the amounts received under current law. For example, if the legislation consolidated programs that under current law -- when combined -- divided the funds between state and localities 50%/50% -- then under this proposal, the funds would also be divided 50%/50%.</p>
<p>3. SYSTEM STRUCTURE</p>	<p>The coalition supports a three-tiered structure for the governance of the National Workforce Development System with major and appropriate roles at the federal, state and local levels.</p>

**6. STATE AND LOCAL
PLANNING PROCESS**

States, through a collaborative process, shall have authority for developing statewide plans. Included in the collaborative process shall be representatives, appointed by the Governor, from the groups such as the following groups: the legislature, business and industry, chief local elected officials, local educational agencies, postsecondary education, employees, appropriate state officials, including the chief elected education official or others as may be deemed appropriate. If a state has an existing Human Resource Investment Council or similar body that substantially meets the requirements of the collaborative process, the Governor can use such a body to develop the plan. State plans shall be developed through the collaborative process and shall outline the procedures by which states shall establish local delivery areas based upon local labor markets and existing political boundaries, measure performance, provide technical assistance and sanction local programs that fail to meet performance. Such plans shall also offer overall programmatic guidance for state training and employment programs, but shall give local programs substantial flexibility to respond to local needs. The plan shall also include procedures by which a local elected official may relinquish to the governor liability for funds used to administer programs under the plan. State plans shall be submitted to the appropriate federal agencies (Labor and Education). The plan may also include a process for creating performance incentives. The plan will cover a three-year period, unless subsequently amended by the state through a collaborative process. If the plan is substantially amended, it shall be re-submitted for certification. If under state law, the Governor does not have authority over the workforce related education programs included in the state plan, then the appropriate State official shall submit that portion of the plan to the appropriate Federal agency. The plan shall include dissenting comments, if any, from members of the collaborative process. Small states can serve as a single service delivery area.

Local workforce development areas shall be established through the state planning process and shall reflect the principles in the state plan. The chief local elected official shall appoint a workforce development board under the procedures provided for in the state plan. Board members shall serve a one-year term, but can be re-appointed. The chief local elected official shall be chosen from the local elected officials of units of general purpose local government. Such a board shall be comprised of a majority from the business community, but shall also include representatives from organized labor, education, welfare, community based organizations, the employment security system, and other social and public services deemed appropriate. However, in no event shall an applicant, recipient of funds or anyone with an apparent conflict of interest sit on the board. In states with a single service delivery area, direct recipients of funds may sit on the board if they are executive officials of state. The board shall elect its chair from among its members. Local workforce development boards shall work in partnership with chief local elected officials to ensure that a comprehensive local workforce development system is developed and implemented that meets the needs of the service area.

<p>4. INTEGRATION</p>	<p>Be it in a single grant or in several smaller grants, federal workforce and related education, employment and training legislation should permit states and localities to design and implement a single, comprehensive and responsive workforce development system. To ensure that all customers receive maximum services, such a system shall have as its goal the seamless provision of customer centered services. Such services do not necessarily need to be co-located. A basic legislative goal is a "common elements" provision for all federal programs, including those not consolidated by this bill, with a requirement to establish universal:</p> <ul style="list-style-type: none"> • Regulatory and program definitions • Definitions for targeted populations • intake and assessment procedures • management information data bases • compatible and consistent outcomes • two common cost categories -- administrative and program services <p>At the federal level, Congress shall call for the existing Task Force created to develop a list of common definitions for programs across federal agencies to complete its work within a set period of time. If such a timeline is not met, the Task Force shall be disbanded and another created to do its work. Then the Congress should act to implement common definitions.</p>
<p>5. FEDERAL ROLE</p>	<p>The coalition supports a three-tiered job training system involving federal, state and local governments. Each level of government shall have important and distinct roles and functions.</p> <p>The federal government shall establish broad goals and objectives for the system that reflects national employment and business trends. In addition, the federal and state cooperative shall provide comprehensive, accurate and timely labor market information to states and localities that may be used during the planning and program development and implementation stages of service delivery. The federal government shall also review and certify that state plans contain the provisions required by the Act, including the state's proposed performance standards, and sanctioning and de-certification procedures for local workforce development boards. The federal government through the appropriate federal agency shall carry out duties with respect to state and local accountability, including fiscal controls. The appropriate federal agency shall be held accountable by the Congress for both fiscal and programmatic accountability.</p>

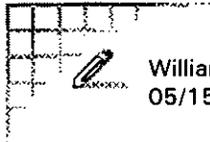
<p>6. STATE AND LOCAL PLANNING PROCESS (CONTINUED)</p>	<p>The chief local elected official and the workforce development board shall develop a joint three-year plan. This plan shall be developed within the parameters established in the state plan. The plan shall reflect the goals of the state plan, establish the service strategy, guidelines for creating a no wrong door system, include benchmarks and performance measures and guidelines for funding specific training and employment services, the procedures by which various service providers shall coordinate their services and reflects the needs of local service areas.</p> <p>The plan shall be approved by the state and when appropriate the state shall have input into the plan. Local workforce development boards shall be responsible for implementing the no-wrong door system, letting contracts for services, and overseeing the operations of the program and for attaining performance standards. Local boards shall not be a direct provider of services.</p> <p>The Governor and the chief local elected official shall be responsible for evaluating the no-wrong door system and the training programs that the board funds, and shall determine the extent to which programs are meeting state and local performance standards. In the event that the chief local elected official does not agree to decertify a local board that is failing to meet the performance standards, the Governor may act independently to make the necessary changes.</p>
<p>7. FEDERAL STATE AND LOCAL ALLOCATIONS</p>	<p>Maintain current proportional shares of funds between state and local governments.</p> <p>Of the funds that will be allocated to local workforce development boards, allocation of 70% of the funds shall be determined in the federal statute</p> <p>The remaining 30% of the local funds will be determined through the collaborative process. Funds from this allotment may be used as incentives to regionalize workforce development areas.</p> <p>States can carry-over funds for two years after its initial allocation. Locals can carry over funds for one year after its initial allocation. The state has the authority to reallocate funds not spent by an SDA after two years.</p> <p>Funds held at the federal level should be used for the administration of the programs and to respond to major dislocations.</p>
<p>8. DETERMINING WORKFORCE DEVELOPMENT AREAS</p>	<p>Service delivery areas shall be determined in the state plan, except that single units of general purpose government with population of 500,000 can apply to be a designated service delivery area. Counties with population in excess of 500,000, which apply for automatic designation, shall do so with the concurrence of those cities with populations of 200,000. If such concurrence is not reached, such a determination shall be made through the state collaborative process. Single units of general purpose government with populations of 200,000 or more that are currently SDA's shall have an automatic right of appeal through the collaborative process. Once the boundaries for an SDA are determined as part of the plan, the boundaries shall not be changed except with the approval of the Governor.</p>

<p>9. DELIVERY OF SERVICES</p>	<p>As part of the planning process, states and locals will develop a plan for optimizing the delivery of services in a manner that meets the needs of the states and localities. Since many states and local workforce development boards would like the opportunity to test and evaluate different types of delivery systems, federal legislation should provide states with the maximum amount of flexibility to design delivery systems and should not prescribe a single type of delivery system -- such as vouchers -- for the delivery of all services. Of the funds held at the state level, such funds may be used to directly purchase education, training and employment services.</p>
<p>10. PERFORMANCE AND ACCOUNTABILITY</p>	<p>The appropriate Federal agency shall appoint a task force that reflects the make-up of representatives participating in the collaborative process that shall develop model performance standards.</p> <p>As part of the planning process, states and localities shall design a performance-based accountability system that focuses on results -- not process. Such a system shall be described in the state and local plan.</p> <p>At the state level, Governors --through the collaborative state planning process -- shall develop benchmarks for outcomes to be achieved by the state's system that are appropriate for the state's particular needs and plans. In addition, performance measures shall be established by the states, focused on customer driven outcomes -- not program activities -- implemented through state-local collaborative processes, supportive of serving those most in need and devoted to continuous improvement in service delivery and system results. Benchmarks and performance standards shall be included in the state plan.</p> <p>As provided for in the state plan, states shall have the authority to ensure performance by local programs. When, after one year, local workforce boards fail to achieve the approved performance measures states will provide technical assistance and a new local plan shall be developed and implemented. In those circumstances when technical assistance does not lead to achievement of the performance measures, Governors have the authority to sanction a local board, as provided for in the state plan. Such sanctions may include elimination or restructuring of the board or workforce area, combining the service area with one or more workforce development area(s), working with the chief local elected official, de-certifying a local board and establishing a new one, having the state take over the operations of the board, reallocating funds to another workforce development board. Workforce development boards will have 30 days from the date the sanction is issued to appeal the sanction to the Governor and the Secretary of Labor. Both the Governor and the Secretary of Labor must respond to the appeal within 30 days of it being filed. During the sanctioning process, local workforce boards will cease to operate and services will be provided, to the extent practicable, to customers by the surrounding areas local workforce boards.</p> <p>At the local level, local workforce development boards and the chief local elected officials shall also develop benchmarks and performance measures that incorporate the state measures and also reflect the need of the local</p>

<p>10. PERFORMANCE AND ACCOUNTABILITY (CONTINUED)</p>	<p>area. Such benchmarks and measures shall be included in the local plan.</p> <p>States and local workforce boards shall provide information on a number of outcomes, including but not limited to: increases in the education and skills of the current and future workforce, the employment of workers, and information on services provided to groups of individuals who are protected under Federal or state law.</p> <p>A portion of the funds allocated to states and localities shall be set-aside for performance incentives.</p>
<p>11. FUTA</p>	<p>FUTA funding should remain a separate dedicated funding stream to be used for the purposes for which the taxes are currently collected. However, activities supported by FUTA should be integrated as much as possible into state and local service delivery systems. All employment service, veterans programs and labor market information should be accessible to all citizens through the "no wrong door" comprehensive system designed and implemented by states and localities.</p> <p>The coalition opposes the current proposal to require FUTA payments to be collected on a monthly basis. Under current law, payments are made on a quarterly basis, minimizing costs and administrative burdens on states and employers.</p>
<p>12. PROTECTIONS FOR EXISTING STATE LAW</p>	<p>States that have enacted comprehensive workforce related education and employment and training laws prior to the date of enactment of this legislation should be exempted from the conflicting provisions of this legislation.</p>
<p>13. WAIVER</p>	<p>All of the provisions of this Act and the resulting regulations can be waived by the appropriate federal Secretaries (except federal to state allotments and civil rights provisions) if, through the collaborative state planning process or enactment of state law, the Governor can demonstrate that such a waiver can improve the ability of the state to create and implement a state-wide comprehensive workforce development system.</p>
<p>14. TRANSITION</p>	<p>This legislation should be enacted as soon as possible with an effective date one year following date of enacted and including the option to implement immediately. Governors should be given immediate flexibility under federal statutes and regulations governing existing programs to combine programs and funding, combine administrative funds from the consolidated programs. In addition, states should be permitted to allocate for planning and implementation purposes, unexpended funds allotted to states under the repealed or modified statutes, and to use funds from the new program to close out repealed programs.</p>

15. LIABILITY	<p>Those elected officials responsible for overseeing the administration of the funds shall be held liable for these funds. Local workforce development boards shall be responsible for implementing the no-wrong door system, letting contracts for services, and overseeing the operations of the program and for attaining the performance standards. The Act should clearly designate financial liability and define the means by which funds can be repaid. In the event that a local elected official opts to relinquish liability for funds administered by this program; he/she may do so under the procedures provided for under the state plan.</p>
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ED - skill grants + H bill



William R. Kincaid
05/15/97 06:10:45 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Michael Cohen/OPD/EOP
Subject: HR 1385

Today you asked about HR 1385, the Employment, Training and Literacy Enhancement Act that is scheduled for House floor consideration tomorrow. Here's a quick summary/status report, based on some materials assembled by OMB and discussions with folks at the Department of Education.

This bill, sponsored by subcommittee chair Rep. McKeon, would consolidate existing federal employment, training, and literacy programs into three block grants to states and localities for 1) adult employment and training for disadvantaged workers, 2) disadvantaged youth (including high school dropouts), and 3) adult education and family literacy. While JTPA programs for youth would be consolidated into the block grants, Federal administration of Job Corps would be maintained.

The legislation would also reauthorize the Vocational Rehabilitation Act for 3 years.

The bill ^{does} not address vocational education programs (nor school-to-work programs), which are now under the jurisdiction of a different subcommittee.

The Administration is preparing to send up a SAP that compliments the bill as incorporating many of the principles in the President's GI Bill for America's workers, but noting generally concerns with provisions on adult ed and voc rehab. Among other features, the bil would require adult training to be provided through skill grants, distributed via a statewide employment and training delivery system. The SAP follows a similarly positive letter from the President made available at the Committee markup.

I thought that's what we wanted.

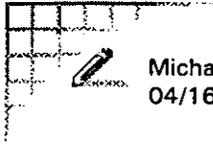
The Department of Education has raised concerns, not fully discussed in the SAP, of accountability, principally having to do with the grounds for state plan approval (mere technical compliance versus quality and promise of meeting purposes of the act) and the ability to negotiate over indicators of program performance. Education is also concerned that the bill needs to be more explicit on the role of the State Educational Agency (SEA) in governance. DOL is concerned that the legislation does not assure that consolidated state youth programs will include a summer jobs component, and that the bill does not provide for adequate worker representation on local boards.

The Administration's own Adult Education Act reauthorization proposal has recently been introduced as HR 1562. My understanding is that the McKeon bill has incorporated many of the key elements of the Administration proposal.

I am not currently aware of any issues or controversies expected to arise in the context of floor consideration tomorrow, but I will keep checking around.

Hope this is helpful.

ED - standards



Michael Cohen
04/16/97 09:35:07 AM

Record Type: Record

To: Bruce N. Reed/OPD/EOP

cc: Elena Kagan/OPD/EOP

Subject: Re: NAGB and national tests -- and a state update 

I'll work on a scheduling request, and will write a paragraph on the states for the weekly.

Mike Smith also liked the NAGB idea; the Counsel's office in ED is looking into ~~it~~ what we can do and how far we can go. I'll keep you posted.

Original to Bruce
File copy at ED-skill grants

JOB TRAINING

Document No. _____

WHITE HOUSE STAFFING MEMORANDUM

DATE: 4/19 ACTION/CONCURRENCE/COMMENT DUE BY: 4/21 11:00am

SUBJECT: GI Bill Options

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	McCURRY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BOWLES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	McGINTY	<input type="checkbox"/>	<input type="checkbox"/>
McLARTY	<input type="checkbox"/>	<input type="checkbox"/>	NASH	<input type="checkbox"/>	<input type="checkbox"/>
PODESTA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RUFF	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MATHEWS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
RAINES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	REED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BAER	<input type="checkbox"/>	<input type="checkbox"/>	SOSNIK	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ECHAVESTE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LEWIS	<input type="checkbox"/>	<input type="checkbox"/>
EMANUEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	YELLEN	<input type="checkbox"/>	<input type="checkbox"/>
GIBBONS	<input type="checkbox"/>	<input type="checkbox"/>	STREETT	<input type="checkbox"/>	<input type="checkbox"/>
HALE	<input type="checkbox"/>	<input type="checkbox"/>	SPERTING	<input type="checkbox"/>	<input type="checkbox"/>
HERMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	HAWLEY	<input type="checkbox"/>	<input type="checkbox"/>
HIGGINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	VERVEER	<input type="checkbox"/>	<input type="checkbox"/>
HILLEY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	RADD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
KLAIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
BERGER	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
LINDSEY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please advise

RESPONSE:

THE WHITE HOUSE
WASHINGTON

April 19, 1997

'97 APR 19 PM5:08

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

SUBJECT: FUTURE DIRECTION OF YOUR G.I. BILL FOR AMERICA'S
WORKERS

This memorandum presents options for a decision on the content and structure of the second-term G.I. Bill for America's Workers initiative. The memo contains two parts. The first section provides the relevant background. The second section presents options and recommendations.

I. BACKGROUND

THE INITIAL FY 1996 PROPOSAL. In December 1994, you proposed a Middle Class Bill of Rights to empower working Americans to pursue a lifetime of learning through education and training tax deductions, tax credits for families with children, and expanded IRAs. The fourth point of your Middle Class Bill of Rights was the G.I. Bill for America's Workers. In your 1995 State of the Union message, you articulated your vision:

"The New Covenant approach to governing is as different from the old bureaucratic way as the computer is from the manual typewriter The old way dispensed services through large, topdown, inflexible bureaucracies. The New Covenant way should shift these resources and decision-making from bureaucrats to citizens, injecting choice and competition and individual responsibility into national policy We should pass a G.I. Bill for America's workers. We propose to collapse nearly 70 federal programs, and not give the money to the States, but give the money directly to the American people; offer vouchers to them so that they can get a voucher worth \$2,600 a year for up to two years to go to their local community college or wherever else they want to get the skills they need to improve their lives. Let's empower people in this way. Move it from government directly to the workers of America."

The actual proposal, as outlined in your FY 1996 Budget, was far more complex. It included significant consolidation, but the workforce development system, while rationalized, retained five discrete parts (see consolidation schematic at Tab A). The budget request for FY 1996, including all elements of the GI Bill was \$14.3 billion (see FY 1996 budget chart at Tab

B).

(1) Adult Workforce System: This component envisioned a Skill grant for non-degree adult training administered by the Labor Department and Pell grants for degree programs administered by the Education Department.

(a) **Skill grants.** The FY 1996 budget requested \$3.6 billion for the Labor Department to implement skill grants of up to \$2,620 for "technical education" for dislocated workers and low-income adults. The skill grant for non-degree training included most adult JTPA programs and added non-degree training funded (then and now) by Pell grants into one program, managed by the Department of Labor. The \$3.6 billion budget request included a \$2.1 billion transfer of Pell grant funds for non-degree skill training from the Education Department to the Labor Department. The FY 1996 budget request was sufficient to serve all dislocated workers whom we expected to want training, and some of the economically disadvantaged adults who needed and wanted training. As a result under the initial proposal, State and local grantees were required to ration Skill grant resources for disadvantaged workers.

(b) **Pell grants.** The FY 1996 budget requested \$4.5 billion for the Education Department budget, to operate Pell grants of up to \$2,620 to defray the costs of associate's and bachelor's degree courses. As mentioned above, the proposal assumed that Pell grants would no longer be used for non-degree training and transferred the \$2.1 billion referred to above to the Labor Department.

(2) One Stop: A grant to States for adult services other than training. The FY 1996 budget requested \$2.7 billion for the Department of Labor budget to support a State and local private sector-led workforce development system of job placement and training-related services (counseling, skills assessment, etc.) provided through one-stop career centers. The proposal also envisioned a limited fund administered nationally for activities such as grants for multi-State mass layoffs and natural disasters, and research.

(3),(4) Two State grants for youth. The FY 1996 budget requested \$2.9 billion for the two state grants for youth. One grant was designed to support vocational education for in-school youth through the Education Department; a second grant for at-risk and out-of-school youth was designed to offer second chance training and work experience through the Labor Department. The FY 1996 proposal called for all activities to be structured within the School-to-Work framework.

(5) **A State grant for adult and family literacy.** The FY 1996 budget requested \$490 million for the Education Department to provide GED, ESL, and basic skills instruction, as determined by the States.

LEGISLATIVE HISTORY. The Administration decided not to transmit legislation to authorize the G.I. Bill reforms, except for separate bills in May 1995 to reauthorize the vocational and adult education programs of the Department of Education. We chose instead to work informally with the 104th Congress on bills Republicans were moving through both chambers. Our judgment was that specific Administration bill language on categorical program consolidations (which would be seen as terminations) would raise issues our supporters could not accept and would provide fodder for Republicans to criticize our proposal before offering their own. Senator Kennedy supported this approach.

The proposal to transfer the \$2.1 billion in Pell resources for non-degree training to the Labor Department was abandoned almost immediately because it was opposed by the higher education community and many in Congress on both sides of the aisle.

In the Fall of 1995, training reform bills -- known as "CAREERS" (Goodling) and "The Workforce Development Act" (Kassebaum) passed both Houses of Congress with overwhelming bipartisan support (345-79; 95-2). In spite of our opposition to the Kassebaum bill, we felt it was important to keep the legislative process moving forward; thus, the Administration expressed conditional support for both bills, and organized Democratic and interest group support, despite concerns with each. We wanted to keep the issue alive in Congress and looked to conferees to address our concerns. Supporting reform in principle, and not alienating key constituency groups wedded to specific categorical programs, also helped us in the appropriations fight, where we could argue that it made no sense to cut funding deeply with a major reform on the horizon.

Of the two bills, Rep. Goodling's CAREERS was closer to fulfilling your G.I. Bill principles and the Administration's support for the Kassebaum version was essentially a tactic for keeping the reform conversation alive. CAREERS required: vouchers for adult training (with an exception for training run by community-based organizations and allocated as they are under current law -- at the discretion of the local agencies), "report cards" and performance standards for training programs, the one-stop and school-to-work frameworks for adult and youth programs (although it would have repealed the School-to-Work Act), and private sector involvement in workforce development programs. By contrast, the Kassebaum bill did not require skill grants and would have made vouchers available only at State option; authorized a single State grant with one quarter reserved for broadly defined State-determined workforce development activities, which could include supporting company training of the employed; weakened accountability by permitting States to define success in their own terms; and greatly diminished the role of local communities in determining training needs.

The conference process on training reform was swamped by the FY 1996 and then FY

1997 appropriations struggle, and the Administration's reform proposals took a backseat to our efforts to preserve funds for categorical training and education programs (dislocated workers, summer jobs and vocational education) under attack. Although we blocked large cuts in the categorical training programs, both the pressures of negotiations with Congress and the need to rally constituency groups who are indifferent or hostile to vouchers and consolidation, led to a blurring of the Administration's principles for changing the way training gets delivered.

In a May 1996 letter to the conference leadership (attached at Tab C), you called for earmarked funding of at least \$1.3 billion for dislocated workers and "properly targeted" resources for a summer jobs program, adult education, in-school youth, at-risk youth, and the labor exchange. Your original G.I. Bill principles had never explicitly singled out these features as essential components of your reform vision.

Pressured by conservative "family groups" to resist compromise, and for other reasons, Republican conferees excluded the Administration and the minority from the negotiations. The partisan conference produced a bill that resembled Kassebaum's flawed block grant approach, unacceptable because it required only a 50-State training voucher "pilot," failed to ensure that adequate resources would be available for adult training, included weak accountability provisions and repealed School to Work. Former Chief of Staff Panetta made an effort to reopen negotiations. The last effort, a June 17th offer from the Administration representing our "bottom line," (attached at Tab D), received no response from the conferees. Emerging in July 1996, without the support of a single minority conferee or the Administration, the conference bill never reached the floor.

CONSOLIDATION AND OTHER ADMINISTRATIVE REFORMS. As we consider strategy for a new effort, it is important to recall that we already have made some progress toward achieving your G.I. Bill objectives. The Labor and Education Departments have aggressively pursued training and employment reforms through administrative changes and other statutory authorities, separable from fundamental legislative reform. Both Departments have made progress toward your goal of consolidating the tangle of federal employment and training programs.

As you recall, prior to your G.I. Bill announcement, the GAO identified 163 separate employment and training programs in 14 agencies spending nearly \$25 billion in what it called an uncoordinated system.

While the GAO called attention to an important problem, their reports overstated it. Sixty-seven of the 163 programs are targeted at specific non-employment and training problems and do not belong in the education and training system. For example, included in their list of employment and training programs were: the Foster Grandparent and Senior Companions programs (volunteer programs for the low-income elderly); State Legalization Impact Assistance Grants; Women's Business Ownership Assistance, and Health Care for Homeless Veterans.

Of the remaining 96 programs, the administration determined that 70 of the should be consolidated into coordinated system which the G.I. Bill proposal envisioned (see schematic at Tab A). (The 26 programs not targeted for consolidation are aimed at special populations -- e.g. Native Americans -- and are most appropriately administered nationally.)

In spite of legislative obstacles to enactment of the G.I. Bill, the Departments of Education and Labor have consolidated 33 of the 70 targeted programs targeted through administrative reform, appropriations, and other means (see list at Tab E). Another five of the 70 programs have been dropped from our consolidation efforts as a result of policy or other considerations. The Education Department is proposing additional consolidation in vocational and adult education programs.

Other administrative reform successes include:

- **One-stop career centers.** Begun in 1994, this Department of Labor initiative consolidates multiple training and employment programs at the "street level" through competitively awarded State implementation grants. The number of States implementing one-stop systems will grow from 16 currently, to 43 by the end of 1997, to 50 by the end of 1998.
- **America's Job Bank and America's Talent Bank.** These two rapidly expanding Department of Labor Internet websites now provide access to 600,000 job openings and resumes of two million job seekers.
- **School-to-Work opportunities.** Since enactment in May 1994, the School-to-Work Act has provided the "seed capital" to spur State school-to-work systems that connect secondary education to work-based learning, postsecondary training, and career opportunities. Currently 37 States are receiving implementation grants; in 1998, all States are expected to be implementing their School-to-Work systems.
- **Waivers and funding transfers.** With the Administration's support, the FY 1997 appropriation for the Department of Labor provided unprecedented flexibility for State and local employment and training programs. (You had already obtained significant new waiver authority for Education Department programs in 1994.) The Budget which continues this flexibility in FY 1998, includes:
 - **Authority** for the Labor Secretary to waive a wide range of JTPA and Wagner-Peyser Act (i.e., Employment Service) statutory and regulatory provisions pursuant to a request submitted by a State, in return for improved performance.
 - **"Work-Flex" partnership demonstration** (modeled on the 1994 "Ed-Flex"), in

which up to six States are authorized by the Labor Secretary to waive JTPA and Wagner-Peyser provisions, pursuant to a plan describing the local waiver process, outcomes to be achieved, and assurances of fiscal accountability.

- **Funding transfer authority** to permit Governors to approve requests by local programs to transfer up to 20% of funds for the dislocated worker and low-income adults between the two JTPA programs. Since FY 1996, unlimited funding transfers have been permitted between the JTPA Summer Jobs and year-round youth training programs.

G.I. BILL IN THE FY 1998 BUDGET AND 105TH CONGRESS. The FY 1998 Budget reiterates support for the G.I. Bill principles, characterizes training reform as "essential," and anticipates working with the 105th Congress to produce a bill. The FY 1998 Budget proposes an increase of \$274 million over the FY 1996 request for the relevant Labor and Education Department budgets (see Tab F for budget details). (This budget request reflects the appropriations successes we had in FY 1997 and before: doubling funding for dislocated workers since FY 1993, winning \$400 million for the embattled School To Work program and increasing Pell grants by 14% since the low of FY 1995.)

In the 105th Congress, training reform legislation is a priority for the Republican chairmen of the House (Goodling) and Senate (Jeffords) Committees. Both chambers have begun hearings and the House Committee is drafting a bipartisan bill for markup next week. In the Senate, although Chairman Jeffords has not begun drafting legislation, he is planning to report a bill out of Committee by the end of June.

The House bill, introduced by Congressman McKeon (Chair of the subcommittee on Chairman of the Subcommittee on Postsecondary Education, Training and Lifelong Learning) and Congressman Kildee, is similar to last year's bill, but assures that funding for dislocated workers will be maintained and does not repeal School to Work. As it did last year, it requires vouchers for adult training (with an exception for training provided by community-based organizations), "report cards" and performance standards for training programs, the one-stop and school-to-work frameworks for adult and youth programs, and private sector involvement in workforce development programs. And, as was the case last year, it maintains local agencies' discretion in allocating skill grants.

In the Senate, legislation will soon be developed under the leadership of Senator DeWine, who heads the Subcommittee on Employment and Training. While Chairman Jeffords is expected to be less hostile to skill grants than was his predecessor, there is still skepticism among Democrats on the panel.

The House bill is expected to include a title reauthorizing adult education programs, while vocational education will be considered separately. In the Senate, it is unclear whether

vocational and adult education will be addressed separately, or as part of larger workforce development legislation. In an effort to maximize the prospect for reforms and continue to consolidate the myriad programs, and as a hedge against the possibility that training reform legislation stalls again, the Education Department is sending separate reauthorizing legislation to Congress again this year.

Notwithstanding the progress we have made on consolidation, most of your vision of the GI Bill is still alive and achievable given the legislative context described above.

II. OPTIONS

This section of the memo lays out some second-term options for your "GI Bill for America's Workers" initiative.

All of the options and the McKeon bill embrace the following core elements of your GI Bill vision:

- giving trainees the choice of providers (e.g. a skill grant that can be used at a community college, a four year college, a trade school, a union-operated program or a community-based organization, like the Urban League),
- improving accountability by focusing on results and barring bad providers,
- reforming the State and local system by implementing One Stop Career Centers based on your original vision, and
- giving consumers better information about training providers and the labor market.

The key choice for you is how to ration the skill grants, because although we have doubled funding for dislocated workers since FY 1993, the current budget is not sufficient to serve everyone. Option One obviates the need for rationing by relaxing the budget constraint. Option 2 seeks to maintain a purer vision of a \$2600-\$3000 skill grant entitlement, but does so by limiting eligibility to people who have, for example, been dislocated after being at the same job for three years, while allowing local discretion in rationing skill grants opportunities for low-income disadvantaged workers. Option 3 does not restrict eligibility for either disadvantaged or dislocated workers, but instead leaves the rationing for both categories of workers to state and local level.

In considering these options, we must balance the benefits of local flexibility with the benefits of having a more pure skill grant vision, in which workers are automatically eligible for skill grants and can make choices that are not subject to the discretion of government workers. Relative to Option 1, Option 2, keeps a purer vision of skill grants by tightening eligibility. The advantage here, is that for these dislocated workers -- who were the main targets of your skill grant proposal -- they are directly empowered by an entitlement, like a Pell grant -- without having to wait in line at any bureaucracy.

Option 3, on the other hand, allows local One Stop and JTPA system to exercise some discretion to pick and choose who gets skill grants, it also does not force arbitrary eligibility restrictions, and would better allow the State and local system of workforce boards and One Stops to target skill grants to those who need them and to respond to large dislocations without having to deny training to certain workers who don't meet the eligibility requirement.

Under all three options there is also the question of whether low-income workers who have not been in the workforce are well-informed enough to make good choices with skill grants. Some argue that we give such personal empowerment to 18 year olds with no experience when we give them Pell grants, so why should it be different here. Others, focus on the likelihood that low-income recipients with no work experience would be taken advantage of by cosmetology school or fly-by-night training programs. One approach is to allow local discretion about which low-income workers receive their training through skill grants. A second approach is to accept the risk that in some cases, people will make poor choices -- as we do with Pell Grants. This is the approach taken in Option 1. A third approach -- which could be combined with any of the options -- is to use skill grants for everyone, but have strict requirements that those who get them without prior work experience or significant education go through a counseling course to learn which programs have the best track records and where jobs are needed.

SKILL GRANT OPTIONS

Option 1: Dramatically Increased Funding for Universal Eligibility

All dislocated workers and economically disadvantaged adults (as defined by current JTPA rules) would be eligible for skill grants. As is now the case for Pell grants, discretionary BA would be requested according to best estimates of how many eligibles would actually use the grants, but outlays would be driven by actual use.

This option would be a "pure" model of skill grants in which individuals are truly empowered and automatically eligible for skill grants. To do this would require a dramatic increase in funding, well beyond the current budget request and well beyond that anticipated in the current legislative discussion. Our very rough estimate is that the cost could go from \$1.3 billion to \$4.2 billion. Though this approach would have the benefit of truly embodying the principles of your vision, none of your advisers think this is practical or realistic at this time. We wanted you to be aware of it, in case you feel differently, and as a contingency in case the budgetary context changes.

Option 2: Allocate Limited Skill Grants for Dislocated Workers by Narrowing Eligibility

This option structures eligibility to stay within the \$1.37 billion budget for training under current rules while giving dislocated workers (who presumably have more labor market savvy)

more wide-open choice than disadvantaged adults in how skill grants are used. Under this option eligibility for dislocated workers would be determined at state and local One-Stop centers, offering additional training-related assistance.

There are several ways to tighten eligibility for dislocated workers. One option is to offer skill grants only to workers laid off after 3 years in a job, on the grounds that short-tenure workers have fewer job-specific skills to replace and aren't strictly speaking "dislocated." Another option is to exclude the long-term unemployed, who are often eligible for Pell grants. These two screens would shrink the pool of eligible dislocated workers to 643,000. (Your original G.I. Bill proposed an additional \$1 billion to serve several hundred thousand additional workers.)

For disadvantaged adults, eligibility would be limited by giving state and local agencies discretion to decide which disadvantaged adults can best make use of the available skill grants. (Once in possession of a skill grant, trainees could then use it as they choose.) This approach could be combined with a requirement that disadvantaged workers receive counseling and skills assessment. The combination of local agency discretion and counseling has the advantage of controlling the cost while addressing concerns that a weak attachment to the job market may make people especially prone to bad training choices.

Relative to Option 1, this option represents a strategic compromise. In the face of budgetary limits, and some plausible worries about the uniform workability of a pure voucher approach, it falls back to make the stand for the skill grant principle on the terrain where that principle is strongest -- dislocated workers with labor-market experience. And it preserves the local workforce-development system in its most plausible role -- guiding disadvantaged who may have special problems making good choices on their own.

Relative to Option 3, this option preserves more individual empowerment and a more "pure" vision of skill grants for dislocated workers, while reducing the risk of bad choices among those with the least experience in the labor market, the disadvantaged.

Pros of Option 2:

- For the limited group of eligible dislocated workers, this is a pure empowerment vision, as you originally conceived it.
- For the limited group of eligible dislocated workers, this option replaces reliance on the discretion of local system in allocating scarce training dollars. Some of your advisors, notably Paul Dimond, feel strongly that even a reformed local system should not be given discretion.
- Should the program be successful and popular, we can expect pressure to expand it.
- Lives within current budget estimates.
- Avoids the "new entitlement" charge while delivering training via skill grants.
- Addresses concerns (based on Pell and student loan histories) that the disadvantaged

often have trouble making good training choices without guidance.

Cons of Option 2:

- Eligibility screens as the rationing mechanism for training resources reduce State and local elected officials ability to respond to variations in the local labor market. This is likely to be a major concern for governors.
- Replacing discretion with narrowly drawn eligibility screens may reduce the system's responsiveness to individual needs.
- While closer to your initial vision of pure empowerment for dislocated workers than Option 3, this would be a significant change from our willingness to live with skill grants as presented in last year's (and, by extension, this year's) House bill.
- State and local stakeholders (Governors, Mayors, and labor unions) will oppose what they will characterize as federalization of dislocated workers training system and advocates for the disadvantaged will object to be treated differently.

Option 3: Allocating Skill Grants Through Local Discretion

This option does away with new national eligibility rules as the rationing mechanism for disadvantaged and dislocated workers alike, and instead relies on local agencies to allocate skill grants, just as they now allocate JTPA training funds. As with Option 2, skill grants are limited by the amount of funding available. *But the discretion state and local agencies exercise over which disadvantaged workers get skill grants under sub-option 2-B becomes universal here;* One-Stop officials award skill grants based on aptitude, local labor market conditions, and judgments about who can best benefit. Skill grants, once awarded, would still be under individuals' control.

For *disadvantaged* workers, this option is the same as Option 2B. The two options differ in the treatment of *dislocated* workers: under this option, local discretion is the rationing mechanism for skill grants for dislocated workers; whereas under Option 2B new federal eligibility screens substitute for that discretion.

This option meets the empowerment model of skill grants by giving people skill grants that they would be able to use at the provider of their choice for the career path of their choice. It also does not automatically exclude people by setting a rigid eligibility rule. On the other hand, having local One Stop centers and JTPA offices decide who gets skill grants in the first place does not encompass the sense of entitlement or clear empowerment seen for eligible dislocated workers in Option 2. Much of this certainly will rest on the strength of the system -- both the workforce board and the One Stops. Some of your advisors, feel that putting so much discretion in the hands of the current system -- even if improved -- does entail enough structural reform. Others, feel that the boards are improving gradually through our reforms and that allowing local discretion does not significantly reduce your vision with slower but

big diff.

safer structural reform.

Pros for Option 3:

- Is close to current House bipartisan bill and what many Democratic constituencies can live with, and makes it less likely our efforts for major reform will disrupt Congressional efforts for significant reform consistent with your decisions.
- With skill grants, one-stops, and report cards, this option goes far to your vision even if somewhat compromised by local discretion.
- Avoids arbitrary eligibility rules that will cut off State and local elected officials ability to target funds to meet individual needs and respond to variations in the labor market.
- Avoids differential treatment of lower-income disadvantaged workers

Cons for Option 3:

- Does not contain a component that fits more pure empowerment/entitlement options for some dislocated workers.
- Some will feel that reliance on current programs for discretion is counterproductive to need for strong structural reform.

RECOMMENDATIONS

OMB recommends Option 3. They feel it is consistent with the principles the Administration enunciated during the debate last year. Specifically, they feel Option 3 explicitly recognizes the reality of resource constraints, adopts the widely desired guidance and help for disadvantaged adults and dislocated workers who want it, maintains the goal of a thoroughly reformed private-sector-based local service system, and preserves the key skill grant vision of individual control over training providers.

The Labor Department also supports Option 3. Labor Department staff feel that Option 3 allows you to claim victory on the key elements of your GI Bill vision. They are especially concerned that Option 2 would derail the progress made in the House and alienate key constituencies, especially the labor movement.

I feel that while Option 2 would be a better choice, because it would genuinely empower workers while creating a One Stop system based on your reform vision, Option 3 is the practical choice.

By choosing Option 3 you would be recognizing the progress that Moderate Republicans and Democrats have made, and bolstering the chance that reform legislation -- which encompasses your vision of skill grants, one stops, report cards and better accountability -- would pass this year .

Plan of Action: Once you have signed off on a policy, I recommend that we draft for you a set of principles consistent with our policy that we send to the Hill in time for Wednesday's mark-up of the McKeon bill. The statement would lay out your vision from 1994 and make clear that you were pleased with the progress made in 1995 and 1996, disappointed by our inability to enact legislation last year, and that you feel it is critical for Congress to pass a training bill that meets your principles. This approach stresses your leadership, and sets up principles that allows us to push Congress in the right direction and claim a Clinton victory if legislation is passed that meets your principles.

Option 1 _____

Option 2 _____

Option 3 _____

Require counseling _____

Let's Discuss _____

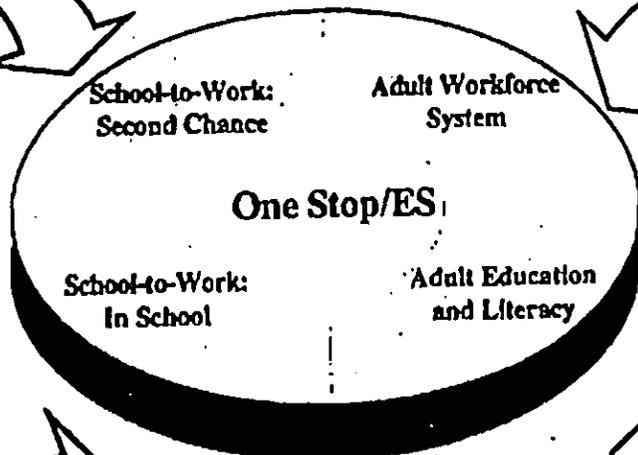
H.I. Bill for America's Workers

School-to-Work Opportunities (DOL/ED)
 ITPA Title IX Disadvantaged Youth
 ITPA Title IX Youth Skills Ed programs
 ITPA Title IX Youth Incentive Grants
 ITPA Title II - Summer Youth Employment and Training
 ITPA Title III - Summer Jobs-Native Americans
 Youthbuild
 Youth Fair Chance
 Youth Incentives

8
Programs

ITPA Title IIIA - Adult Training for the Disadvantaged
 ITPA Title IIIA - Training Programs for Older Individuals
 ITPA Title III(E)WAA (Governors' 20% Discretionary)
 ITPA Title III(E)WAA (Secretary's 20% Discretionary)
 ITPA Employment and Training Pilot and Demonstration
 ITPA (Clean Air Employment Transition Assistance)
 "Employment Services - Governor's" Discretionary Funds
 ITPA Defense Conversion Adjustment
 ITPA Defense Disadvantaged Program
 ITPA Title IIIA - State Education Grants
 ITPA Title IIIA - State Incentive Grants
 ITPA Title III(E)WAA (SDA Allocations)
 Food Stamp Employment and Training
 State Postsecondary Review Program (PELL)
 Labor Market Information
 One Stop Career Centers
 Women in Apprenticeship
 Federal Pell Grant Program
 Federal Loan Program (Direct)
 Federal Loan Program (Family ED)
 Labor Certification for Alien Workers
 Increase Job Bank
 ITPA Employment and Training RAD
 American Samoans
 Rural CEFS
 NORCC (DOL Share)

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Programs



School-to-Work Opportunities (DOL/ED)
 Voc Ed - Programs for Criminal Offenders
 Voc Ed - Cooperative Demonstration (all field programs)
 Voc Ed - Opportunities for Indian & Hawaiian Natives
 Voc Ed - Community Based Organizations
 Voc Ed - Home Centers for Dislocated Workers
 Voc Ed - Consumer and Homebased
 Voc Ed - State Councils
 Voc Ed - NORCC
 Voc Ed - South-Highly Act
 Workplace transition training for incarcerated youth
 Native Hawaiian Ed. - Community-based Learning Circles
 Voc Ed - Basic Skills Programs
 Voc Ed - Technical Education
 Voc Ed - Demonstration for Integration of Voc and Academic Learning
 Voc Ed - Ed Programs for Post-Correctional Individuals
 Voc Ed - US Comprehensive Career Delivered and Connected
 Voc Ed - Blue Ribbon Voc Ed Programs
 Voc Ed - Model Programs for Regional Training, Skills Trades
 Voc Ed - Business/Education/Labor Partnerships
 Voc Ed - Tribally Controlled Post-Sec Voc Assessment
 Voc Ed - State Programs and Activities
 Voc Ed - Single Parent, Homebased, Program
 Voc Ed - Sex Equity

23
Programs

Adult Ed-State Administered Basic Literacy
 National Adult Education Discretionary Program
 State Literacy Research Centers
 Nat'l Workplace Literacy Program
 Workplace Literacy Partnerships
 Adult Education for the Homeless
 Literacy Training for Homeless Adults
 Literacy for Impoverished Adults
 Literacy Programs for Prisoners
 Home Start-State Educational Agency
 Even Start - Migrant Education
 Library Literacy
 (Transfer from ITPA Title IIIA)

12
Programs

* ES will be retained as a separately authorized and funded program to the states; it will be an integral part of the One Stop Career Center System.
 ... available only through 1999 and School-to-Work grants will be available only through the year 2000.

1. SHARING THE BENEFITS OF ECONOMIC GROWTH

23

Table 1-4. THE G.I. BILL FOR AMERICA'S WORKERS COMBINES 70 PROGRAMS INTO ONE WORKFORCE DEVELOPMENT SYSTEM, AND INCREASES FUNDING \$1 BILLION OVER 1995

(Discretionary budget authority, in millions of dollars)

Sets of Categorical Programs	1995 Enacted	System Components	1996 Proposed
JTPA adult programs	997	Skill and Pell grants to individuals:	
Dislocated worker programs	1,296	Dislocated workers	582
Pell grants	6,247	Low-income persons	3,059
Employment service	912	Pell grants for AA degrees and above	4,480
State postsecondary renew program	20		
Research, evaluation and demonstrations	48	Subtotal, individual grants	8,121
One-Stop Career Centers	120		
JTPA and other youth programs	1,630	State-defined services system:	
School-to-Work (ED and DOL)	250	Adults (including One-Stop)	2,685
Vocational education programs	1,178	Adult and family literacy	490
Adult education and family literacy programs	488	Youth (including School-to-Work)	2,906
Total:		Total:	
Categorical programs	13,186	Better Jobs and Skills System	14,202
Loans for education and training (in millions of dollars)	25,757	Loans for education and training (in millions of dollars)	28,356

The new jobs and skills initiative will allow each State to devise an integrated strategy that unifies all elements of the training and education system. The building blocks are described separately below (though the Federal Government would no longer require States to maintain separate programs).

Helping Adults: The President's proposal would create "Skill grants" for unemployed and low-income workers and job seekers. States would create systems to give individuals the information they need to make informed choices with these grants and ensure that workers are not defrauded by incompetent or unscrupulous providers. The proposal would make 1.6 million more grants and loans available in 1996 than in 1995. (See Chart 1-3.) It also would support State efforts to design new, more flexible, integrated systems that will provide information about jobs and training, counseling, placement assistance, and other services.

- Individuals would get Skill grants or Pell grants of up to \$2,620 a year for training;
- The budget proposes \$3.6 billion in 1996 for Skill grants for technical education and \$4.5 billion for associates and bachelor's degree courses through Pell grants. The

student loan programs will provide another \$28 billion in loan capital to help finance training and higher education;

- Low-income persons would get Skill grants based on family income and cost of education, in the same way they do now under Pell grants; and
- Dislocated workers who need training would qualify for Skill grants without an income test. Adults who lose their jobs and need skill training to get a new one would receive income support.

The proposal would build upon progress underway through "One-Stop Career Centers" to encourage States and localities to design and implement new systems of placement and training-related services within five years.

- It would provide \$2.7 billion, most of it to States to design and operate the new system; and some for Federal activities such as oversight, research, evaluation, and response to multi-State layoffs and natural disasters; and
- It would provide \$490 million for adult and family literacy, which the States could use as they want for basic skills instruc-

THE WHITE HOUSE

WASHINGTON

May 20, 1996

Dear Mr. Chairman:

I am writing to express my views on the job training and education reform legislation now in conference. I appreciate the Conferees' efforts to address at least some of the key principles included in my G.I. Bill for America's Workers proposal. I believe we all recognize the importance of reforming, streamlining, and consolidating job training and education programs.

However, I cannot accept a conference bill that does not create a world class workforce development system that is built on a firm foundation of individual opportunity, strong accountability for results, and clear pathways for youth from school to work. This legislation must: authorize spending for a new system at no less than the levels proposed in my FY 1997 Budget; arm dislocated workers with sufficient information and purchasing power, through skill grants, to choose the training that is right for them; preserve national funding for school-to-work infrastructure building grants; ensure accountability to taxpayers by establishing high standards for program quality and clear accountability; and provide that education authorities are responsible for education resources at the State and local levels, and that those resources are targeted within the State. The attachment to this letter details these and other essential priorities pertaining to this legislation.

I believe we share the common goal of creating a job training and education system that equips all Americans to prosper in a global economy. I urge the conferees to craft an acceptable bipartisan bill by meeting these concerns and fully incorporating my G.I. Bill.

Sincerely,



The Honorable William F. Goodling
Chairman
Committee on Economic and Educational Opportunities
House of Representatives
Washington, D.C. 20515

Attachment

ISSUES FOR CONFERENCE ON H.R. 1617

- **Sufficient authorization of appropriations.** It is imperative that the bill authorize spending for the consolidated programs at least at the levels proposed in the FY 1997 Budget. Future appropriation action must not be constrained by insufficient authorizations that imprudently cut funding for education and training investments.
- **Adequate funding for skill grants for dislocated workers.** The bill must earmark no less than \$1.3 billion for dislocated worker assistance, and ensure that these individuals have sufficient information and resources -- including through the use of skill grants -- to choose the training that is right for them.
- **Dedicated national funding to continue the School-to-Work implementation grants.** The School-to-Work Opportunities Act should not be repealed. To date, 27 States have received implementation grants under the School-to-Work Opportunities Act. Dedicated funding to continue School-to-Work implementation grants is essential to permit these States to complete their system building activities, and to provide an opportunity for all remaining States to do the same. Without a strong, lasting school-to-work infrastructure, the promise of this bill for youth development will be unfulfilled.
- **Accountability to taxpayers for results.** The bill must ensure that taxpayer dollars are not invested in programs that don't deliver results. Since Federal funds support the workforce development system, the final bill must establish the Federal government as a full partner in determining measurable goals and objectives, establishing expected levels of performance for State and local areas, and approving plans. To protect against fraudulent and incompetent training providers, this bill must include strong provisions on "gatekeeping" and consumer information. The Secretaries of Education and Labor should be clearly responsible and accountable for administering workforce education and workforce training and employment activities, respectively. Their resource and staffing needs should be determined through the annual budget and appropriations process.
- **State and local education agency control and responsibility for education resources.** The conference bill must ensure that State and local education agencies have responsibility for planning, administering, and making decisions relevant to education resources. Full collaboration of State and local workforce boards and the private sector with State and local education agencies is essential.
- **Adequate, properly targeted resources for adult education and training, in-school youth, at-risk youth, a summer jobs program, and the nation's labor exchange.** The conference bill must ensure a priority for these activities and for sufficient funding, at levels consistent with the FY 1997 Budget. In addition, the bill must contain within-State allocation formulas, as in current law, that target at-risk youth and that direct in-school funds to school districts with greatest need and post-secondary education institutions that

serve disadvantaged individuals. The Wagner-Peyser Act, which establishes the public employment services, must remain the fundamental legislative charter for our nation's public labor exchange services, ensuring the prudent use of employer-paid federal unemployment taxes.

•Local governmental responsibility for job training. While Governors should have final approval authority over the local plans affecting job training funds, elected officials from our cities and counties must have responsibility for administering and overseeing local One-Stop Career Center and job training funds, through workforce development boards that bring together business and labor and other community leaders to plan and develop flexible job training programs appropriate to their communities.

**ADMINISTRATION OFFER TO CONFEREES ON
WORKFORCE AND CAREER DEVELOPMENT ACT**

This offer is to be considered as a whole; it is not divisible into component parts.

1. Offer on authorization of appropriations: Accept the such sums authorization with the following trigger for the flex account:

- o Funds appropriated under the Act would be subject to the following percent splits: 45% for adult training; 28% for in-school youth; 20% for at-risk youth; and 7% for adult education.
- o No funds would go to a flex account until the level of funding for the States reached \$3.85 billion (FY 1996 appropriation for the total Federal grants to the States for programs consolidated in this legislation).
- o All funds above FY 1996 appropriation level would be available for flex account until 125% of FY 1996 level is reached.
- o The amounts in excess of 125% would be allocated as follows: 25% flex account; 35% adult training; 15% out-of-school youth; 20% in-school youth; and 5% adult education with a hold harmless from the flex account.

2. Offer on dislocated worker funding: Earmark \$1.3 billion of adult employment and training resources for assistance to dislocated workers (of which \$1.03 billion is for State grants).

3. Offer on skill grants for dislocated workers: Training for dislocated workers must be provided through a skill grant system (House bill, but limited to dislocated workers). This requirement would include the limited exceptions in the House bill to address rural areas and other special circumstances. However, it would also include a 5-year phase-in for this requirement (similar to the House bill's 3-year phase-in), with authority to the Secretaries to use incentive funds to encourage earlier implementation.

4. Offer on School-to-Work: (a) Strike the repealer from the bill, allowing the appropriations process to determine the future of School-to-Work; or (b) move up sunset date for School-to-Work from September 30, 2001 to September 30, 2000.

5. Offer on accountability: Package to include:

- o **Plan approval and levels of performance:** Substantive State plan approval authority for the Secretaries (Senate bill with amendment); and Secretaries and States to negotiate expected levels of performance to be basis for sanctions and separate challenging levels to be basis for incentives (Senate bill with amendment).

- o **Performance information and resources:** Uniform technical definitions of benchmarks (House); consumer information to be provided by all nondegree training programs with certain information required (House bill with modifications); uniform MIS guidelines that include demographic information (House bill with modification); reporting of both local and Statewide performance results to the Secretaries (House); and adequate human resources for oversight and other responsibilities to be determined through annual budget and appropriations process. (House)
6. **Offer on control of education by State and local education system:** Senate language ensuring that education funds will go to State and local education agencies and that the education portion of the plan will be developed by the State education agency.
7. **Offer on local role:** Local board negotiates with the State on employment and training benchmarks for the area as a whole, and local board in coordination with LEO, negotiates with the State the process for designation of One-Stops. Remainder of responsibilities reserved for local board in partnership with LEO; these responsibilities include developing local budgets, oversight over local programs, developing local plan, and designating local fiscal agent. (House bill with modification)
8. **Offer on targeting resources to youth:** Modify Senate language to clearly require a Summer Youth Program in each local area. Require equitable substate allocation formulas for in-school and at-risk youth.

Programs Consolidated Since FY 1996
 FY 1997 Budget Authority

Department of Labor

\$ millions

1	JTPA Clean Air Employment Transition Assistance	0
2	JTPA Defense Conversion Adjustment Program	0
3	JTPA Defense Diversification Program	0
4	JTPA American Samoan Employment Program	0
5	JTPA Rural Concentrated Employment Program	0
6	JTPA Youth Fair Chance	0
7	JTPA Youth Innovations	0

Department of Education

8	Voc Ed - Programs for Criminal Offenders	0
9	Voc Ed - Community-Based Organizations	0
10	Voc Ed - Demo Centers for Dislocated Workers	0
11	Voc Ed - Consumer and Homemaking	0
12	Voc Ed - State Councils	0
13	Voc Ed - NOICC	0
14	Voc Ed - Smith-Hughes Act	7
15	Voc Ed - Demo for Integration of Voc and Academic Learning	0
16	Voc Ed - Ed Programs for Federal Correctional Institutions	0
17	Voc Ed - Ed Comprehensive Career Guidance and Counseling	0
18	Voc Ed - Blue Ribbon Voc Ed Programs	0
19	Voc Ed - Model Programs for Regional Training, Skill Trades	0
20	Voc Ed - Business/Education/Labor Partnerships	0
21	Voc Ed - State Programs and Activities	0
22	Voc Ed - Single Parents, Homemakers, Pregnant Women	0
23	Voc Ed - Sex Equity	0
24	Workplace Transition for Incarcerated Youth	0
25	Native Hawaiian Ed - Community-Based Learning Centers	0
26	State Literacy Resource Centers	0
27	National Workplace Literacy Program	0
28	Workplace Literacy Partnerships	0
29	Adult Education for the Homeless	0
30	Literacy Training for Homeless Adults	0
31	Literacy for Incarcerated Adults	5
32	Literacy Programs for Prisoners	0
33	Library Literacy	0

Department of Labor and Education: GI Bill

(BA in millions)

Programs	FY 1993	FY 1994	FY 1995	FY 1996 Request	FY 1996 Enacted	FY 1997	FY 1998 Request
Department of Labor:							
GI Bill for America's Workers -- Adults:							
II-A Grants to States	1,015	988	997	1,055	850	895	1,064
III Dislocated Workers	651	1,151	1,229	1,396	1,092	1,286	1,351
Employment Service	895	918	915	872	821	824	843
One-Stop Career Shopping	0	50	100	200	110	150	150
Other Adult Programs and New Initiatives	60	98	54	660	47	47	45
Subtotal Adults	2,621	3,205	3,295	4,183	2,920	3,202	3,453
GI Bill for America's Workers -- Youth:							
Summer Jobs	849	877	867	959	625	871	871
II-C Grants to States	677	609	127	369	127	127	130
School-to-Work (Includes Education portion)	0	100	244	400	350	400	400
Youth Opportunity Areas Initiative	50	25	0	72	0	0	250
Subtotal Youth	1,576	1,611	1,238	1,800	1,102	1,398	1,651
Total DOL in G.I. Bill for America's Workers	4,197	4,816	4,533	5,983	4,022	4,600	5,104
Department of Education:							
Vocational Education	1,170	1,176	1,104	1,178	1,081	1,132	1,172
Adult Education	305	305	279	406	260	355	394
Pell Grants (program cost)	5,624	5,496	5,445	6,635	5,660	6,227	7,806
Total Education in G.I. Bill for America's Workers	7,099	6,977	6,828	8,219	7,001	7,714	9,372
Total G.I. Bill for America's Workers	11,296	11,793	11,361	14,202	11,023	12,314	14,476
Less Pell Grants	(5,624)	(5,496)	(5,445)	(6,635)	(5,660)	(6,227)	(7,806)
Net Total G.I. Bill for America's Workers	5,672	6,297	5,916	7,567	5,363	6,087	6,670

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January 21, 1997

Second-Term G.I. Bill Reform Options for Adults

Note: School-to-Work remains the organizing principle for youth. Vocational education reauthorization should link to STW. JTPA waiver and transfer authorities allow the Administration to argue that meaningful youth program reform is underway. All options assume a "National Activities" set aside for R,D&E, mass layoff grants, other activities.

Option 1: National Skill Grants

- All adult training financed through Pell grants (or new DOL system);
- One grant to States for labor exchange and nonvouchered services. Governor decides who delivers the services;
- HEA reauthorization strengthens provider gatekeeping and performance information;
- JTPA titles II-A and III are repealed.

Option 2: State vouchers (House-passed CAREERS model)

- Two grants to States: one for adult training, one for labor exchange;
- With limited exceptions (as in CAREERS), training is voucher-financed;
- Under Governor-approved plans, local boards run program and labor exchange services;
- HEA gatekeeping plus local board certification of providers;
- JTPA titles II-A and III are repealed.

Option 3: Local vouchers (Job Training 2000)

- Mandatory vouchers, administered locally at one-stop "skill centers;"
- State grants, but JTPA adult and ES funds under control of business-led local boards, the "system managers." HEA gatekeeping plus local board certification of programs.

Option 4: JTPA reforms

- Amend JTPA titles II-A and III to authorize (but not mandate) training vouchers;
- Relax existing JTPA restrictions on OJT, program design, and use of funds;
- Authorize permanent JTPA and ES waivers and 20% funding transfers (vs annually).

ED -
Skill grants

From: Kenneth S. Apfel on 01/31/97 06:15:23 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Gene B. Sperling/OPD/EOP, Marcia L. Hale/WHO/EOP, John L. Hilley/WHO/EOP

cc: See the distribution list at the bottom of this message

Subject: Talking Points on NGA's Job Training Proposal

We developed talking points in response to the NGA proposal for a job training block grant. The points below could be incorporated into other talking points being developed for anyone meeting with NGA or working on their proposal.

Administration's Response to Governors' Request for a Job Training Block Grant

The original G.I. Bill proposal. In the 1995 State of the Union message and FY 1996 through 1997 Budgets, the President proposed a "G.I. Bill for America's Workers" to collapse nearly 70 federal programs, and "not give the money to the States, but give the money directly to the American people.

Bills in the 104th Congress. In the fall of 1995, training reform bills passed both Houses of Congress. However, Republican conferees excluded the Administration and the minority from the negotiations. The partisan conference produced a bill that resembled the Senate bill's block grant approach; it failed to gain the Administration's support or the vote of any minority conferee. The conference bill never reached a floor vote.

Governors want a training block grant. The Governors want to resuscitate the flawed training conference bill, arguing they need the flexibility of a block grant to implement welfare reform.

The President wants to help States implement welfare reform, but not through a training block grant.

He has proposed a \$3.4 billion Welfare-to-Work Jobs Challenge -- including employer tax credits, incentives for investment in distressed communities, and a \$3 billion Welfare-to-Work Jobs Initiative to move one million of the hardest-to-employ welfare recipients

A block grant to the Governors does not fulfill the G.I. Bill principles of:

Skill grants. For the past two years, the President has proposed a G.I. Bill for America's workers to empower adults with Skill Grants (i.e. vouchers) so that they,

not bureaucracies, choose where to get training.

- Skill grants are an innovative, market-based tool to make training providers accountable to customers.
- Block grants are business as usual, with bureaucrats and contractors making job training decisions for adults.

Accountability. The President believes job training programs must be fully accountable to taxpayers for results.

- The G.I. Bill proposes strong “gatekeeping” and consumer reporting provisions to protect against fraudulent and incompetent training providers.
- Since Federal funds support training programs, the Federal government must be a full partner in establishing performance goals and approving plans.

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File: 61 Bill

Paul Mike -

January 17, 1997

Paul D. gave me this the other day, along with a half-hour lecture. I've begun to think he's on the right track. We should talk about where this should be going and how we can help to get it there.

Elena

MEMORANDUM FOR GENE SPERLING

FROM: PAUL DIMOND

SUBJECT: PROCESS, STRATEGY, ROLL-OUT FOR SKILL GRANTS

Key Charge to Working Group: Achieve Federal Skill Grants. Attached is the list of questions that the Working Group should answer over the next month. I recommend that you make clear the key charge to the Working Group: *craft a proposal for a Presidential announcement no later than February 20 that will provide a platform for achieving federal Skill Grants for working families as a part of the Balanced Budget Reconciliation negotiations.* All other policy, administrative, and political issues can fall into place if you give this charge to the Working Group on behalf of the President. In contrast, if this clear charge is not given to the Working Group, you run the risk that the Working Group will just end up relitigating the relative merits, priorities and relationships between (1) federal skill grants, (2) consolidation of DoL/DoEd youth and adult training programs, (3) devolution, (4) private sector involvement, (5) DoL training/mayor vs DoEd voc ed constituency politics, (6) DoL protection of ETA personnel and the role of the Labor Department, (7) how all this fits with the clamor of governors to use all of the DoL money to help pay for welfare reform, and (8) the best way to "manage" a "workforce development system," "reemployment system," "unemployment system," "labor market exchange," and/or "education and training system" in each local labor and education and training market around the country. Such an open-ended inquiry will consume too much time, and it very may lead to options and arguments that once again compromise the President's key priority of federal Skill Grants.

Second Key Charge to Working Group: Present Options for Federal Skill Grants that complement Pell Grants, Hope Scholarships, and Student Loans. To make the President's announcement credible, the options must operate so that all federal support for post-secondary education and training to individuals is complementary. From the perspectives of the individual and the provider, Skill Grants, Pell Grants, Hope Scholarships, and Student Loans (including "Pay-As-You-Earn" options) must work as a complementary package of assistance that can be (1) easily understood by students, workers, and families and (2) easily explained and administered by the financial aid officer of the provider at which the individual may choose to enroll. In addition, the "gate-keeping" must be complementary in order to assure a flow of useful information from the providers, to prevent provider rip-offs and to minimize student defaults, and to exclude fraudulent or incompetent providers from eligibility for federal financial aid. The two basic options for Skill Grants will be (a) amending Pell Grants (e.g., "prospective income" for dislocated workers and "non-degree training") or (b) creating a complementary DoL Skill Grant for dislocated workers and non-degree training for workers.

Third Key Charge to Working Group: Present Options for Achieving Federal Skill

Grants in Budget Reconciliation. In my opinion, it is absolutely essential to make the case for achieving federal Skill Grants (like the changes to Pell Grants) in Budget Reconciliation. This will change the entire dynamic for congressional enactment of Skill Grants -- both in achieving federal Skill Grants in the balanced budget negotiation and, even failing to achieve agreement there, in any authorizing legislation: it is the best way for the President to make his case for his chief priority. *Bob Shireman believes that the new terms for Skill Grants (and Pell Grants) can be set in Budget Reconciliation in compliance with the Byrd rule by assuring that these terms apply full force to Student Loans as well.* If this is right, then the combined package will have a direct impact on mandatory spending and can be included in Budget Reconciliation, even if the decision is made to put Skill Grants (and Pell Grants) on the discretionary side of the budget.

For the many reasons that I have argued over the past several months, I also believe that you should present an *option* to the President that will permit him to negotiate for making Pell Grants and Skill Grants mandatory as a part of the Balanced Budget negotiations. This will provide the President with a better platform to catalyze -- and to stake a claim of credit for -- a new ethic among the people, in the states, and with firms throughout the country to support universal access to two years of college and, thereafter, to post-secondary education and training. *It is absolutely vital, however, that you know in advance that the alternative option of putting federal Skill Grants and Pell Grants on the discretionary side can be nevertheless be negotiated as a part of Budget Reconciliation.*

Presidential roll-out. First, in the State of the Union Address, the President should hit hard on individual skill grants for "unemployed and underemployed" workers as an integral component of his package of proposals to increase federal support for empowering all Americans to benefit from two years of college and to invest in the post-secondary education and training they choose. This speech should make clear that a major announcement of the specific proposal will follow.

Second, in late February the President should announce the specific proposal for federal Skill Grants, including how they complement and work with Hope Scholarships, Pell Grants and Student Loans to form one comprehensive package of federal financial aid -- e.g., Hope Scholarships, Hope Grants, and Hope Loans. In this speech, the President should make clear that the entire package must be included as a part of any Balanced Budget Reconciliation Agreement. Organized labor; leading representatives of business; community colleges, four-year colleges, and proprietary schools; and mayors and county execs will all announce their full support on the same day for achieving the entire package as part of a Balanced Budget Agreement. Once again, Kennedy, Breaux, Daschle, and Lieberman should signal their full support; and From and Kemp should provide a call for bi-partisan support. The President can follow up with a speech to a major constituency group in March.

Third, in early April the President will receive the Harry S. Truman award from the Association of Community Colleges for his contributions to advancing lifelong learning in America. The President in his acceptance speech can draw the symbolic parallel between (1) his entire package for guaranteeing increased federal support for access to post-secondary education and training for all Americans and (2) the G.I. Bill of Rights that provided the

impetus for opening college and job training to almost 7 million veterans of WWII and the Korean War.

Once negotiations begin in earnest on the Balanced Budget, the President will have made clear his commitment to achieving the entire package, including federal Skill Grants. He will also have established such a broad base of bi-partisan support throughout the country and with all major constituency groups that this Congress will at least accept, if not embrace, the entire package as a part of the final Balanced Budget Reconciliation agreement.

If the President chooses not to include the federal Skill Grants in the final package negotiated in Budget Reconciliation for any reason, he will still have built the largest base of support possible for assuring that individual skill grants – whether federal or state-designed – emerge from any authorizing legislation for working families. Making this case is also absolutely vital to counterbalance the pressure from governors on the Congress to devolve all DoL training dollars to the States so that the governors use the money for welfare reform. [We should, of course, be pressuring the governors to support the WTW Jobs Challenge in Budget Reconciliation instead: this is means for providing additional support to make the welfare reform transition work in local labor markets; to make this request credible, however, we ought to be agreeing to make the governors are co-signers of any application along with the mayors. A poverty (or welfare) concentration formula is a better means for targeting the resources on local areas that need the most help than reserving money exclusively for mayors in the largest 100 largest cities.]

GIBFAW ISSUES FOR WORKING GROUP

1. Adult Training -- the key principle should be federal purchasing power -- plus good information -- placed in the hands of individuals to choose training they want:

- Federal Skill Grants. Two options: (a) revision to Pell/Student Loans (Independent Status, Prospective Income, and Non-Degree Training) or (b) a separate Skill Grant Program (with terms also applying to Student Loans) for Unemployed/Underemployed (run in tandem with same \$\$ amount as maximum Pell?) Why separate program and administration of individual grants between DoEd and DoL and, if separate, how coordinate for students and providers? Should the federal Skill Grants and/or Pell Grants be made an entitlement on mandatory side? If not, how can proposed changes be achieved in Budget Reconciliation agreement without violating Byrd Rule?
- State-designed Skill Grants (for what population?), State devolution of DoL training resources (but not Pell Grants and Student Loans), or maintaining existing approach to intergovernmental oversight of the relatively small but still significant training contracted to providers with DoL resources make no policy sense. The large majority of federal support for post-secondary education and training is already accomplished through individual financial "vouchers" (e.g, Pell Grants, Student Loans and, soon Hope Scholarships). None of these alternatives measures up to POTUS vision of federal individual grants, loans, and scholarships to enable all Americans to benefit from two years of college and to invest in the post-secondary education and training they choose.

2. Adult Literacy

- why aren't localities and states doing more through their public schools/community colleges at night (either with contracted providers or through own programs)?

3. Labor Market Exchange

- Interactive -- No Wait On-line [U.I. recording by voice or e-mail; open system for Jobs Bank, Talent Bank, ALMIS, Training Network; a variety of competing private intermediaries serving the supply of labor for free by getting paid by employers for finding and placing job-seekers.]
- One-Stop Career Centers. The competitive model of chartering One-Stops with limited term contracts conditioned on performance has fallen apart as unions have forced all states to continue Employment Service; and the labor market exchange does not lend itself to "vouchers" in hands of job-seekers, because all of the major (and rapidly growing) private intermediaries are paid directly by the employers and provide their services for free to all job-seekers. But there is NO need to take on a fight with organized labor over Employment Service monopolizing One-Stops: the growing interactive labor market exchange and private intermediaries will provide better, more convenient, more responsive services without charging any fee to more and more job-seekers over time; and the "One-Stop Centers" will either learn to compete by providing better service, or they will continue to become a smaller and smaller share of the labor market exchange.
- The purpose and function of "local work-force" boards in the labor market exchange is not clear. Both business and labor support, however; so there is no reason to make

this an issue.

- There is a unique opportunity with tightening of labor markets to end isolation of concentrated poor from jobs throughout local labor market; and to build information rich/competitive intermediary market to serve all job seekers, employers, and education and training providers.
4. Out-of School Youth 18-24 (DoL funding):
- how can we establish new principles that (1) providers compete to recruit back into school/work-based learning that leads to meaningful high school diploma, and a job (or just job-search) and (2) states and localities bear the bulk of costs?
 - Is any "saturation" model for youth employment paid for primarily by federal grants replicable or consistent with basic message of technology literacy for all in the information age?
 - Can an alternative model for youth training and employment be constructed that fits with the Welfare-to-Work Jobs Challenge (where feds put up only \$3,000), e.g, by (a) connecting all youth who are literate to available jobs to work first and (b) seeking to recruit all youth who aren't back into work-based learning that teaches essential literacy and connects to a job?
5. Vocational Education -- in school (DoEd funding):
- the key principle must be excellence in academic standards for all, with work-based learning, to enable every youth to graduate with a degree that enables young adult to benefit from at least two years of college. [That must be the way we talk about School-to-Work Opportunities, too!]
6. Consolidation/devolution
- what is the nature and scope of consolidation if we achieve seek to achieve (a) federal Skill Grants/Pell Grants for all adult training of unemployed and underemployed workers and their families and (b) vocational education is reformed (consistent with new STW emphasis) on academic excellence for all (albeit with work-based learning here) that enables graduate to benefit from two years of college? By achieving federal Skill Grants/Pell Grants in Budget Reconciliation agreement, the need for and truth of any claim of "comprehensive consolidation" of all DoEd and DoL youth and adult education and training programs through devolution to the states falls apart; instead, any "consolidation" is limited to (a) enabling all families, students and workers to choose conveniently from package of federal individual grants or loans for post-secondary training and (b) making federal vocational education, STW, and high school support consistent with standard of academic excellence for all enabling every graduate to benefit from two years of college.
 - All that is left is question of whether or not we want to join in one authorizing bill separate titles for (a) vocational education reform, (b) out-of-school youth training reform, (c) adult literacy, and (d) one-stop careers centers/local workforce boards to assist in labor market exchange. An analysis of the political prospects of passage, rather than any evaluation of policy, may well drive decision on this tactical issue.

7. Accountability/performance.

- Accountability and performance are achieved under Federal Skill Grants -- like Pell Grants, Student Loans, and Hope Scholarships -- through (1) good information being provided to individuals, students and families, (2) informed choice of consumer, (3) constant improvement among providers competing for students, and (4) more effective gate-keeping. The primary issue, then, is the nature of the information and gate-keeping. We should focus on improving and building a coordinated system of gate-keeping; we will need to add U.I. information on wages program-by-program for non-degree training (as we agreed with Bob Jones for business and Dave Pierce for community colleges last year and can also agree with proprietary schools under Omer Waddles this year). We need to determine whether and how (1) DoL can assist DoEd in gatekeeping (e.g., for non-degree training) and (2) existing DoL-financed or new non-degree providers can qualify under revised gate-keeping system to be eligible for federal Skill Grants (and/or non-degree Pell Grants).
- Accountability for vocational education, out-of-school youth, adult literacy, and One-Stop Career Centers present much different issues that will need to be addressed separately.

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Date: 1/21/97 2:25pm
Subject: WTW/GIBFAW Meetings
Gene,

1. WTW meeting. First, a faction led by Treasury, CEA and Lsia Lynch (an odd combination) argued essentially for ditching the POTUS pledge of using WTW Jobs Challenge to help place 1 million harder to employ persons and replacing it with a "saturation" challenge/demo that could be carefully "evaluated" in order to "learn what works."

Second, I explained why I believe this is wrong on the merits and on the politics: (a) over the next five years if the economy continues to grow (which I believe it will), the local labor markets in each local region will absorb a net increase in 2 million lower-skill workers moving from welfare to work into the labor force IFF we succeed in breaking down the barriers of discrimination and isolation affecting persons (including welfare participants) in high-poverty concentrations;(b) the President signed the welfare reform bill and proposed the WTW Jobs Challenge to make welfare reform work not to to "study" demos "to learn what works."

Thus, I propose again, the principle of "targeting" the WTW Jobs Challenge on census tracts with greater than 20% poverty and using the application process (whether called a challenge or not) to require the participation of mayors, governors, the local private sector employers, education and training providers, and the job placement intermediaries to devise and to implement a plan to place all persons in jobs throughout the region and to connect the rest to work-based learning that leads to a high school degree and a job. If this were combined with an aggressive private sector campaign with the full range of employers and an announcement that the private sector job placement intermediaries are opening offices in high-poverty concentrations to connect this supply of labor with the increasing demand from employers, the President (a) could meet his political commitment, (b) materially help to overcome the barriers to isolation from job markets in high-poverty concentrations and (c) be able to point to success stories and to help governors, mayors, employers, and private sector-intermediaries all across the country learn from one another. Finally, I believe that this "targeting" gives the President a good foundation for negotiating a credible WTW package as a part of a balanced budget reconciliation agreement.

Ken Apfel has suggested that DPC and/or NEC run a process to review (a) basic design principles and (b) options for Principals to review. Barry is doing a two-pager to focus the discussion at this meeting.

2. GIBFAW.

Adult Training. Ken presented his view of options for adult training: federal skill grants or devolution to state-locally designed skill grants. Barnicle took the position that federal skill grants had been expressly rejected (as part of my proposal for mandatory skill grants) and the only option was

working "cooperatively" with the House and Senate R's to craft a bill that achieved as much of the second options as possible. I objected -- strongly -- to Tim's characterization, laid out the larger scenario (2/3 of adult training already done through Pell Grants and student loans as federal "vouchers" not state-designed "vouchers" and that POTUS could achieve federal "skill grants" (a) by making a clear case for them, (b) showing how they worked in tandem with Pell Grants, Hope Scholarships and Student Loans to provide universal access to post-secondary education and training on a consolidated basis, and (c) negotiating in Budget Reconciliation process. I also challenged Tim to think about how to develop a state-designed skill grant/gatekeeping system that would work in tandem with the other federal purchasing power and gate-keeping of post-secondary education and training in order to make the best case for his option. This, finally, flushed Ken out from behind his cover: he favors state devolution over federal skill grants, and always has.

The political discussion of the Hill by Tim was terribly naive -- except for the point that the President must stake out his position on this first week in February if he wants to influence the outcome in a material way. Once again, I believe that the best way to achieve a positive result for POTUS and for the country is through budget reconciliation agreement, even if all Skill Grant provisions (like Pell Grants) are kept on the discretionary side of budget (but permitted under Byrd rule b/c they form seamless set of criteria for student loans). To put the point directly, Barnicle simply doesn't favor federal skill grants and is operating in a total vacuum from any supervision from any Secretary. Apfel agreed that the issues should be sharpened for you to present to principals; Barry will take a crack at a summary of the two options. I recommend that you either chair the next meeting or designate someone to chair it.

Youth. Ken proceeded to discuss how he felt the youth portions of G.I. Bill had been split into two parts -- with DoEd seeking a separate reauthorization modelled on STW, DoL out-of-school youth programs were still searching for some anchor. Again, Barnicle jumped in to argue that he felt we should stick with the position that local workforce boards should coordinate both vocational education in school and DoL out-of-school youth programs. Tim's position is anathema to DoEd (and directly contrary to the President's statement of position on the issues to conferees last year).

This represents another aspect of Tim's view of the "One-Stop" center (run by ES) working in tandem with local work-force boards to be the agents of change and performance for adult labor market and youth in-school/out-of-school training. This is just plain nuts: the ES "One-Stops" are losing market share every day in job placement, and the PICs have lost all credibility: the education, training and job placement markets have simply passed by this old notion of "public-private control" over the past four years. Don't get stuck with this as the lead line or organizing principle in any G.I. Bill: it's wrong on the merits, and politically has neither punch nor support. The problem here is the substance of the DoL youth programs: they seek to have the feds pay 100% of costs for getting all drop-outs trained and to work: this is a failed model!

Neither Trish McNeil nor Mike Smith was there for DoEd. I therefore offered that Mike Smith and Trish McNeil both wanted to reauthorize vo-ed separately with a clear commitment to high academic standards that would enable a graduate

to benefit from two-years of college (and that this same insistence on high standards and academic quality must also drive STW). That is also Secretary Riley's view. Ken, seeing that Tim was intent on keeping the issue of one bill that consolidated all DoL/DoEd youth and adult training under influence of One-Stops/local workforce boards open, agreed that this issue would also be passed through Bruce and you to the principals.

Gene, you and Bruce need to take charge of this process -- or you will have a process that is influenced by too narrow a view of the substance and politics to be of much benefit to the President.

Paul