

EXECUTIVE OFFICE OF THE PRESIDENT

04-Aug-1995 08:48am

TO: Kenneth S. Apfel  
TO: Barry White  
TO: Larry R. Matlack

FROM: Paul R. Dimond  
National Economic Council

CC: Gene B. Sperling  
CC: Laura D. Tyson

SUBJECT: Workforce Development Bill-Welfare Reform Bill

WR - Job Training  
bill

Team,

I spoke late yesterday and last evening with Omer Waddles, David Evans, Nick Littlefield and Doug Ross. My best interpretation of their separate readings is as follows:

1. The vote to separate The Workforce Bill from Job Training is close, but a loser at this point -- virtually all Democrats plus a couple of moderates want to separate, whatever Dole and Kassebaum agree to, about 47 votes.
2. The vote on an amendment to assure that governors are required to serve dislocated workers with job search and counseling at OneStops and, for those who don't find a job, to provide a skill grant designed by the governor that can be used at colleges, CBO's, or new employers as approved by State is also close, but probably a loser at this point -- all Democrats, plus the possibility of a couple of odd Republicans.
3. There is little stomach for standing and fighting against the new Federal Partnership, although there is a good chance that agreement will be reached that national Workforce Board will report jointly to the Secretaries.

Given these facts, if we can't round up the votes to actually separate the two bills or to get the Dislocated Worker Amendment, how about a strategy in which Daschle, Kennedy, and Breaux (supported by all the Democrats) says they will filibuster until everyone's vacation is ruined on the principle that the Workforce Bill is creating a new partnership with the States, but there are three principles to that partnership that must be reflected: (1) dislocated worker amendment (on the grounds that these veterans of the Workforce deserve to be served and if they can't find a job to make their own choices about what skills to learn to get ahead, just like the veterans of our armed services under the G.I. Bill; (2) there must be a small, flexible pot of money to assist states that experience major, unexpected worker dislocations (base closing, disaster, etc); and (3) the formula allocation between the States must be based on

principles that reflect the changing dynamics of the economy as they affect workers and youth.

Daschle only said he wouldn't filibuster the Welfare Bill. He hasn't said he wouldn't filibuster the Workforce Bill. If Dole tries to hit him with the notion that all Dole is trying to do is make sure there is more training money for Welfare Reform, ~~Dole~~<sup>Daschle</sup> et al can respond on the merits: it's dislocated workers who have played by the rules, who can't find jobs and demonstrated that they need and will benefit from skill training of their choice who should be served; in contrast, welfare mothers should go to work first, be provided with day care and child care: sorry, Bob, you're the one who's pandering to welfare mothers -- and shafting dislocated workers.

At the least, this would surely lead to a separation of the two bills, if not to the amendments we want on the Workforce Bill. It would also provide another forum for Daschle-Breaux-Mikulski to flog Work-First policy of their Welfare REform proposal.

Thoughts?

Dimond

**EXECUTIVE OFFICE OF THE PRESIDENT**

**Office of Management and Budget  
Program Associate Director for Human Resources  
260 Old Executive Office Building  
Washington, DC 20503**

**Fax #: 395-5730****Phone #: 395-4484****FACSIMILE COVER SHEET**

*WR - Job Training bill*

**DATE:** August 10, 1995

**TO:** Bruce Reed (6-5557)  
Paul Dimond (6-2223)  
Tim Barnicle (219-6827)  
Geri Palast (219-5288)  
Ricky Takai for Mike Smith (401-5943)

**No. of pages (including cover sheet): 3**

**FROM:** Ken Apfel  
Barry White

**REMARKS:** Attached please find DRAFT memorandum for the President on Workforce Development Legislation.

**DOES THIS STRIKE A BALANCE, OR WHAT??**

**DRAFT****DRAFT****DRAFT**

revised for DOL, ED and Dimond comments, 8/10, 6 pm

**MEMORANDUM FOR THE PRESIDENT**

**From:** Alice Rivlin, Laura Tyson, Carol Rasco, Richard Riley, Robert Reich

**Subject:** Workforce Development Legislation in Welfare Reform

**ISSUE:** What position should we take to Senator Kennedy and others on the workforce development bill -- the Senate's answer to your G.I. Bill for America's Workers -- on your bottom line for this bill?

**BACKGROUND.** Your G.I. Bill for America's Workers demonstrates your strong commitment to major restructuring of Federal workforce development programs. A bill with features similar to your proposal has been reported in the House, but faces strong opposition on the floor from Governors and conservative Republicans. In the Senate, the bill reported by Senator Kassebaum's Labor and Human Resources Committee has been attached by Senator Dole to his welfare reform bill in order to meet criticisms of insufficient resources to support the work requirement. During the welfare debate early this week, controversy over Senator Kassebaum's bill played a part in convincing Senator Dole that passing a welfare bill was not possible before recess.

The Kassebaum bill does include some features that are in your proposal: consolidation of scores of programs; a youth strategy consistent with your successful School-to-Work Opportunities Act; an adult strategy based on use of One-Stop labor market services; and substantial State flexibility -- albeit as noted below, without the accountability for results called for in the G.I. Bill.

Despite these positive features, there are many important flaws in the Dole/Kassebaum bill which we are working hard to fix. Most importantly, however, the two central tenets of your proposal are not in the bill:

- o A Federal-State partnership in an national workforce development system accountable for results that addresses the needs of the economy. Senator Kassebaum would require States to develop plans, including performance standards. However, a Presidentially-appointed part-time Board and Executive Director, rather than the Secretaries of Labor and Education, would have the authority to approve plans and negotiate performance benchmarks. The Board could only disapprove a plan on procedural grounds, not on quality or other substantive grounds. Only very vague, non-specific oversight by the Secretaries is permitted.

The structure greatly complicates policy development in both Departments and in the States. In Labor, it disconnects labor market services from unemployment insurance, functions that in most States are joined in a single agency. In Education, it decreases

chances for significant reform of high school and postsecondary education, by slowing integration of vocational and academic education under high standards for all students; it can lead to movement of vocational education toward narrow job-specific training and away from your reform principles.

In effect, rather than simplifying and streamlining the Federal structure, Kassebaum adds new players (the Board, the Executive Director), making the system more complex and unwieldy. The House-reported bill has a structure much closer to your proposal.

- o For adults for whom training is essential to improve skills or learn new skills, such as dislocated workers, putting the power to purchase training directly in their hands through Skill Grants. Senator Kassebaum would permit States to offer skill grants, but not require them to do so, leaving training decisions in the hands of State bureaucracies, much like the current system.

Furthermore, there is no requirement that dislocated workers be accorded priority or receive any training at all under the State plans. Finally, there is no provision for the Secretary of Labor to take action to assist workers during major dislocations (base closings, national emergencies), as he does now with \$260 million annually. The House bill is closer to your proposal.

Should the Kassebaum bill pass in its current form on these two issues, we believe the House leadership, with the strong support of most governors, would quickly modify the House-reported bill to make it closer to Kassebaum for conference.

Senator Kennedy is the key Democratic player, and is anxious to find a way to join Senator Kassebaum on a bipartisan bill. He shares many of our concerns, but has not yet been willing to actively support our positions on these two issues in his negotiations with Senator Kassebaum.

- o With respect to Skill Grants, Senator Kennedy and, we believe, all the other Democrats, support a Pell-Breaux amendment to require States to offer Skill Grants for dislocated workers.
- o With respect to an accountable national system, Senator Kennedy's position is publicly closer to Kassebaum's model.

**WELFARE REFORM CONTEXT.** We recognize that as long as this bill is tied to welfare reform, welfare reform policy will drive the decision on our position on the overall bill. Our first priority has been to sever the link between the bills. Linkage sharply reduces the time and opportunity to improve the workforce bill. Worse, by virtue of a Dole amendment to let Governors spend workforce money on workfare, we could see very large parts of the already reduced workforce money going solely to the welfare system, rather than for dislocated workers, other adults, or the school to work system.

However, Senator Kassebaum is adamantly opposed to separate consideration at this time. If the welfare reform part of the bill has other serious flaws, the workforce component's flaws should figure into a decision of whether to accept the overall bill.

**VIEWS OF THE SECRETARIES.** Secretaries Reich and Riley would have to administer the results of this bill. They believe that a national system accountable to them as cabinet officers is the highest priority, and that without this provision fixed, we do not have an acceptable bill. They agree that skill grants are very important, but not as important as the accountable national system. Secretary Riley further emphasizes the negative impact of the Kassebaum structure on his ability to carry forward the national education reforms you have put so much effort into. **NOTE: I DO NOT HAVE CONFIRMATION OF RILEY CONCURRENCE WITH THIS PARAGRAPH.**

**THE SIGNAL TO SENATOR KENNEDY.** We intend to press for severing the workforce bill from the welfare bill; otherwise we will be overwhelmed by welfare issues and be unable to make the improvements needed to accomplish true reform of the education and training system. Separate or linked, we intend to press for a workforce bill that incorporates as many of the features of your proposal as possible, but we differ on the relative emphasis we should place on the two central issues addressed above: Skill Grants and the accountable national system. We need your guidance on what to tell Senator Kennedy about the Administration position. Options:

1. Skill Grants and the accountable system. Ask the Senator to fight for a bill with a national workforce system unequivocally accountable to the Secretaries and for Skill Grants; it would be better to have no bill than a bill without both these features.
2. Accountable system as highest priority. Ask the Senator to fight for a bill with an accountable system and, if possible, skill grants, but make clear that skill grants are a lower priority.
3. Skill Grants as highest priority. Ask the Senator to fight for a bill with mandatory skill grants and, if possible, a more accountable national system, but make clear that Skill Grants are the first priority because they are the signature program component of your G.I. Bill proposal.
4. Do not set priorities. Ask the Senator to do his best to support the Secretaries as they work for the best possible bill, but do not signal make or break issues at this time. Tell him that a position on whether the bill is acceptable will be determined when the shape of overall welfare/workforce legislation is clear.

WR-Training

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**Office of Management and Budget  
Program Associate Director for Human Resources  
260 Old Executive Office Building  
Washington, DC 20503**

**Fax #: 395-5730****Phone #: 395-4484****FACSIMILE COVER SHEET****DATE:** August 10, 1995**TO:** Bruce Reed (6-5557)  
Paul Dimond (6-2223)  
Tim Barnicle (219-6827)  
Geri Palast (219-5288)  
Kay Casstevens (401-1438)**No. of pages (including cover sheet): 3****FROM:** Ken Apfel  
Barry White**REMARKS:** Attached please find DRAFT memorandum for the President on Workforce Development Legislation. Return edits to Barry White **ASAP** today.

**DRAFT****DRAFT****DRAFT**

## MEMORANDUM FOR THE PRESIDENT.

From:

Subject: Workforce Development Legislation in Welfare Reform

**ISSUE:** Should you take a position this week with Senator Kennedy and others on the workforce development bill -- the Senate's answer to your G.I. Bill for America's Workers -- on your bottom line for the bill?

**BACKGROUND.** You have repeatedly made a strong commitment to a major restructure of Federal workforce development programs. A bill with features similar to your proposal has been reported in the House, but faces strong opposition on the floor from Governors and conservative Republicans. The bill reported by Senator Kassebaum's Labor and Human Resources Committee has been attached by Senator Dole to his welfare reform bill in order to meet criticisms of insufficient attention to work. During the welfare debate early this week, controversy over this bill played a part in convincing Senator Dole that passing a welfare bill was not possible before recess.

The G.I. Bill proposal included some features that are present in the Kassebaum bill: consolidation of scores of programs; a youth strategy based on your successful School-to-Work Opportunities Act; an adult strategy based on use of One-Stop labor market services for dislocated workers and other adults; and substantial -- as noted below, too substantial -- State flexibility.

There are many important flaws in the Dole/Kassebaum bill which we and others are working hard to fix, but most importantly, the two central tenets of your proposal are not in the bill:

- (1) Federal direction for an accountable national workforce development system to meet the needs of the economy. Senator Kassebaum would require States to set performance standards, but give the Secretaries of Labor and Education no role in negotiating or enforcing them. A Presidentially-appointed part-time board with loose connections to the Secretaries would very weak national level authority. The House-reported bill has a structure much closer to your proposal.
- (2) For adults for whom training is essential to improve skills or learn new skills, frequently dislocated workers, putting the power to purchase training directly in their hands through Skill Grants. Senator Kassebaum would permit States to offer skill grants, but not require this, leaving training decisions in the hands of State bureaucracies, much like the current

system. The House bill is closer to your proposal.

Should the Kassebaum bill pass in its current form on these two issues, we believe the House leadership, with the strong support of most governors, would quickly modify the reported bill to make it closer to Kassebaum for conference.

Senator Kennedy is the key player. He shares many of our concerns, but has not yet been willing to take our position on these two issues to Senator Kassebaum. On the national system, he is publicly closer to Kassebaum's model.

**WELFARE REFORM CONTEXT.** We recognize that as long as this bill is tied to welfare reform, welfare reform policy will drive the decision on our position on the overall bill. Our first priority has been to sever the link between these two bills. Sen. Kassebaum is adamantly opposed to separate consideration at this time. If the welfare reform part of the bill has other serious flaws, the workforce component's flaws on these two points should figure into a decision of whether to accept the overall bill.

**THE SIGNAL TO SENATOR KENNEDY.** We need your guidance, therefore, on what to tell Senator Kennedy about your position. Options:

1. A bill without an accountable national workforce system and skill grants is not acceptable. Better to have no bill.
2. A bill with an accountable system but no skill grants would be acceptable because the Secretaries can work with the States to achieve much of what we want.
3. A bill with skill grants but no national system would be acceptable because failure to get skill grants could be seen as losing the signature program component of your proposal.
4. The Secretaries should continue to work for the best possible bill, but we should not tell Senator Kennedy that these are make or break issues at this time. Final position will be determined when the shape of overall welfare/workforce bill is clear.



August 9, 1995

MEMORANDUM FOR KEN, PAUL, DOED, BARRY, LARRY

FROM: TIM AND GERI

SUBJECT: Amendment Priorities

While there are many items that need fixing, we think our core should be the items in the Panetta memo, excluding School to Work, which appears as fixed as we can get it until Conference.

Priority Amendments to Kassebaum

o Federal Accountability and Governance

Need to negotiate appropriate Secretarial role of authority to direct and control the Partnership and to have a Board that is really advisory.

o Skill Grants and Training Program Accountability

Need to negotiate a mandatory skill grant provision in the Senate bill, either similar to the House provision or related solely to dislocated adult workers.

o One-Stop Re-employment System/Adult Training

No training for dislocated or disadvantaged adults is required in the Senate bill. We should insist that some percent of the flex grant be used for that purpose given Administration priority.

o Youth Programs (Job Corps and Summer)

o National Activities

o Vocational Rehab.

We need to decide whether or not to add:

- o Wagner-Peyser
- o Worker Protection
- o Local Boards
- o TAA
- o Authorization level
- o Economic Development

All of these are very important to us. How do we present?

**DRAFT**

*Susan: thoughts? let's discuss.  
Paul*

August 7, 1995

## **POSSIBLE TELEPHONE CALLS TO SENATORS KENNEDY AND BREAUX**

### **I. PURPOSE**

First, thank the Senators for their joint press conference launching the challenge to Senator Dole's attempt to use his Welfare Bill to undercut your commitments on education and training for working families. Second, let both Senators know how important these commitments are to you and your appreciation, as the welfare debate unfolds, that they will continue to coordinate their efforts to defend these commitments.

### **II. BACKGROUND**

**1. Dole's Welfare Bill Threatens Skill Grants, Education and Training.** Senator Dole is determined to use the Welfare Bill to implement his campaign to "block and cut" as much of the federal budget as he can and to devolve as much discretion to the states for setting and choosing among priorities as possible. He also believes that he needs additional money to credibly finance welfare reform. As a result, he has merged Senator Kassebaum's Workforce Development Bill into his Welfare Bill and made clear that states may use the federal education and training funding for working families to finance welfare reform, including Workfare. If Senator Dole succeeds in passing his Welfare Bill with these provisions in fact, your Skill Grant proposal will fail in the Senate; and he will substitute a direct challenge to your national commitment to education and training. The Republican Leadership will then likely pass a similar "block and cut" training bill on the House Floor rather than the bi-partisan Goodling Committee bill that honored most of your commitments, including Skill Grants.

**2. Dole Welfare Bill Provides an Opportunity to Attack.** This major threat also presents an opportunity: Senator Dole's decision to tie welfare reform with federal education and training opens the softest point in his entire underbelly for counterattack: "When Bob Dole needed more money to finance welfare reform, where did he look? Not at the tax cut for the wealthy, not at corporate subsidies, not at programs for his supporters, but once again right at working families. Under his bill, he would license states to rob national education and training opportunities from working families to pay for welfare reform." At a minimum, all Democrats can unite in expressing outrage at Senator Dole's attempt to breach the fundamental national commitments to education and training for working families. [There is a budget argument here: your balanced budget proposals eliminates federal deficits while meeting our national commitment to greater opportunities for working families and

financing welfare reform in partnership with the states.]

**3. The Counterattack Should Begin by Exposing the Issue.** In order to keep your options open, Senate Democrats must form a united front to counterattack on the education issue in the current welfare debate. Selected reporters, and major constituency groups, may also spotlight this issue. If the underbelly of Dole's "block and cut" strategy is exposed at its softest point this week, his campaign to use federal training for working families to finance welfare reform may be derailed.

**4. Major Decisions May be Required over the Next 48 Hours.** Senator Dole, joined by Senator Kassebaum, may strongly resist this pressure in order to implement Dole's basic budget, welfare, state devolution and political strategy. At this writing, it appears that virtually all Democrats will join in the key votes on the training issue, including a motion to separate consideration from welfare or to amend the bill to add Skill Grants for Dislocated Workers. It will be difficult for us to muster the majority of votes needed to prevail. Later in the week, if it appears that a majority of the votes is not there, a decision will need to be made whether the Democratic Leadership should threaten to halt consideration of welfare reform until the training provisions are separated or amended. It is not yet clear that 41 Democrats would vote against cloture until the training provisions are separated. Whatever the grounds for such a vote, it is possible that Dole will use any credible filibuster threat to go home, to blame Democrats for renegeing on their promise to debate and to vote on a welfare bill separately, and just move to handle welfare reform in Budget Reconciliation.

### III. Senator Kennedy

Senator Kennedy has been working for many months to improve the Kassebaum Workforce Bill so that he could sign onto it. He has other fish he wants to fry with Senator Kassebaum (e.g., Health Care) and would like to find an accommodation. Although he supports Skill Grants for Dislocated Workers, it has not been and will not be a top priority unless you eventually ask. With the merger into the Welfare bill, however, Kassebaum has closed off all negotiations for now. Nevertheless, Senator Kennedy will be looking for ways to compromise. If negotiations reopen with Kassebaum, he will make Skill Grants a top priority if, but only if, you (or someone on your behalf) specifically asks.

### IV. Senator Breaux

Senator Breaux authored S.6's Skill Grant proposal with Senator Daschle; it was the Democratic Leadership opening counter to Dole's first five bills to implement the Republican Contract. Senator Breaux is a major supporter of national training commitments, implemented through vouchers and competition. Breaux is itching to fight hard here, but he will also be looking over his shoulder (who isn't?) at how the training fight impacts his leverage to influence the welfare debate. Nevertheless, if negotiations open on welfare with the Majority Leader, Senator Breaux would make Skill Grants a priority when you ask.

THE WHITE HOUSE  
WASHINGTON

August 4, 1995

MEMORANDUM FOR LAURA TYSON  
FROM: PAUL DIMOND  
SUBJECT: WORKFORCE DEVELOPMENT BILL -- POTUS priority and requested action or consideration by POTUS  
CC: GENE SPERLING

Bruce:  
let's discuss. I think the real leverage here, on Workforce Bill skill grants reform, is that Daschle never promised not to filibuster Workforce Bill. He should stand on this principle (skill grants for dislocated workers) until Hell freezes over or Dole comes.  
Paul

I recommend that you confer with Secretary Reich and, if he concurs, join with Alice Rivlin and Bruce Reed in a recommendation to Leon Panetta or the President as follows:

On behalf of the President ask Senators Kennedy and Daschle to defend consideration of Skill Grants for Dislocated Workers with every means at their disposal in the Senate's deliberation on the Workforce Development Bill.

I make this recommendation for the following reasons:

1. **This is a POTUS Priority.** The President's signature priority in his G.I. Bill for America's Workers is Skill Grants for Dislocated Workers. The principle is straightforward: empower those veterans of the workforce who can't get back to work without learning new skills with the resources to choose, how, where and when they want to learn new skills -- just like we did for veterans under the G.I. Bill.

2. **Senate Democrats Support this Priority.** After a great deal of effort, all Senate Democrats now support this principle including, most importantly, Senator Kennedy and Senator Daschle.

3. **Conflict with Republicans provides defining opportunity.** In contrast, Kassebaum's Workforce Bill just turns the resources and decision over whether and how to serve Dislocated Workers to the governors and seeks to deny the President a victory on this issue alone. This conflict presents an opportunity for Senate Democrats to join the President in saying that our first national commitment in adult education and training is to hard-working Americans who have lost their jobs: to offer active job search to find a new job and, when that fails, a Skill Grant and good information so that they -- rather than a State Governor or other public employee --- can make their own choices about what skills to learn to get back to work at a new and better job.

4. **Decision Time is Now.** The decision on Skill Grants in the Workforce Bill is probably now or never: the House is likely to recede to any Senate Workforce Bill that maximizes the discretion vested in the Governors.

**5. Senate Democrats have Votes to Force Issue.** If the President asks Senator Kennedy and Senator Daschle to defend this principle above all else in the Workforce Bill, then they will have the votes within their hands (more than 40) to defend the President -- to demand a halt to consideration of the Workforce Bill altogether until it is either (a) stripped for separate consideration after the Welfare Reform debate in the Senate or (b) includes Skill Grants for Dislocated Workers. At the very least, this stand will preserve the President's option to veto any Workforce Bill that doesn't include this principle.

**6. This Priority is a core value in the President's Common Ground.** This principle is a fundamental issue of values -- empowering all Americans with the opportunity to invest in learning new skills to build a better future. This principle is right at the core of the common ground on which the President is staking his future. It provides for Dislocated Workers the same type of choice, opportunity, and responsibility that the President is seeking to offer to every American -- through expanded Pell Grants for low- and moderate income families, through more affordable student loans for all persons, and through an education tax deduction for moderate- and middle-income families. Kassebaum's Bill serves this basic values issue up in its most attractive setting -- Skill Grants for Dislocated Workers -- for all Democrats and the most uncomfortable form for most Republicans, including moderates who want to serve Dislocated Workers and for conservatives who believe in vouchers.

**7. Defending this Priority provides an Opportunity to Open the Welfare Reform Debate with a Counterattack where Republicans are vulnerable.** The President and Democrats are on our strongest common ground to open the Welfare Reform Debate by expressing outrage that Senator Dole would seek to shaft hardworking Americans who lose their jobs in order to enable governors to steal from Dislocated Workers to pay more for welfare mothers. This counterattack will turn Senator Dole's decision to join the two bills against him on a key values issue. This counterattack may maximize our leverage to get Skill Grants for Dislocated Workers in any Workforce Bill.

**8. A Counterattack on Skill Grants for Dislocated Workers will also Better Position Democrats for the Welfare Reform Debate.** This counterattack will position Democrats to argue for greater responsibility on ending welfare as we know it (through support from absent parents and work from custodial parents), while providing welfare mothers with what they do need to get to work to become self-sufficient: not training, but the child care, health care, and job search that is at the core of the Daschle-Breaux, Mikulski Work-First Bill. Let the Republicans defend the option of governors to provide training opportunities to welfare mothers at the expense of denying Skill Grants to Dislocated Workers: Democrats can then respond, "Every welfare mother who goes to work should be treated like all other American Workers; they'll earn the right to Skill Grants if they go to work, lose their job and can't find a new job without learning new skills."

In sum, I believe that we do a disservice if we do not communicate the President's highest priority on the Workforce Bill directly to Senators Kennedy and Daschle. We do even more of a disservice to the President if we fail even to present this issue to him for decision on the untested assumption by others that the President won't, can't or shouldn't do anything on skill Grants for Dislocated Workers because Senator Dole chose to merge the Workforce Bill into the Welfare Reform debate.

**DEPARTMENT OF LABOR BRIEFING**

**for**

**THE WHITE HOUSE WELFARE REFORM TASK FORCE**

**July 7, 1993**

## **Summary of JTPA Programs Serving AFDC Customers**

## Summary of JTPA Programs Serving AFDC Customers

Department of Labor JTPA Program	Major Services	Funding	Total Customers Served	Customers Receiving AFDC
Title IIA (adult)	- Skills assessment, career counseling, literacy and basic skills training, job search, skills & development training	\$1,015,021,000 in FY 93	310,000* in PY 91	87,000 (28%)
Title IIB (youth)	- Summer employment and education for youth	\$1,045,674,000 in FY 93	680,000 in PY 93	176,800 (26%) (estimate)
Title IIC (new title for youth)	- Skills assessment, career counseling, literacy and basic skills training, job search, skills & development training	\$676,682,000 in FY 93	239,000 (projected)	62,000 (projected)
Job Corps	- Residential training, food, medical care, vocational training, counseling, and supportive services	\$966,075,000 in FY 93	60,000 in PY 91	13,600 (23%) in PY 91
Youth Fair Chance	- Comprehensive education, training, sports and recreation, and community development activities in high poverty areas	\$50,000,000 FY 93 (supplemental)	25,000 in FY 93	**
Title III (EDWAA)  - TAA	- Skill training, remedial education, job search assistance, & supportive services	(in FY 93) \$596,646,000  211,250,000	131,000* in PY 91	2,620 (2%) in PY 91

\* Terminees – SOURCE: Job Training Quarterly Survey

\*\* Targeted to Census tracts with poverty rates of 30% or more.

## Summary of JTPA Programs Serving AFDC Customers

Department of Labor Program	Major Services	Funding	Total Customers Served	Customers Receiving AFDC
<b>Targeted Programs</b> - Native American - Migrants - Older Americans (Older Americans Act)	- Basic skills training, work experience, job search and placement assistance, and counseling  - Subsidized community service employment for older workers	(FY 93 \$) \$61,871,000 78,303,000 396,060,000	21,400 (PY 91) 53,000 (PY 90) 95,000 (PY 91)	* * *
<b>Demonstration</b> - Homeless	- Skills assessment, career counseling, literacy and basic skills training, job search, skills & development training	\$12,537,000 in FY 93	10,400** in PY 92	***

\* AFDC recipients cannot be broken out, 5600 Migrant and 6400 Native American were on public assistance.

\*\* Enrolled

\*\*\* N/A AFDC requires residency, therefore most homeless aren't eligible.

## Summary of Employment Service Customer Activity

Department of Labor Program	Funding*	Applicants**	Placements**	Placed and Obtained Employment**	AFDC Customers Placed
Employment Service	\$894.6 million	20,422,900	2,586,700	3,136,200	N/A

\* PY 1993

\*\* PY 1991

## JTPA Programs -- Cost Per Enrollee

Department of Labor JTPA Program	Cost Per New Enrollee
Title IIA (adult)	\$4,816
Title IIB (summer youth)	1,570
Title IIC (new title for youth)	3,426
Job Corps	21,561
Youth Fair Chance	N/A
Title III	2,200
Targeted Programs	
- Native American	2,600
- Migrants	1,500
- Older American (Older American Act)	6,061
Homeless Demonstration Project	N/A

## **Lessons Learned**

## LESSONS LEARNED -- A HISTORICAL PERSPECTIVE

### CETA PSE

- **The most recent experience with Public Service Employment (PSE) was under the Comprehensive Employment and Training Act (CETA). CETA PSE provided both counter-structural and counter-cyclical employment.**
  - ▶ Public service employment (PSE) resources could be used to fund jobs in State and local government, or to provide employment in publicly funded projects operated by local government or community-based organizations.
  - ▶ PSE enrollment peaked in 1978 at 755,000 enrollments, approximately 10 percent of which were AFDC recipients.
  - ▶ It is estimated that today the cost of a PSE slot would be about \$19,000.
  - ▶ Job substitution -- when local government uses Federal dollars to fund jobs that would be otherwise budgeted from local revenue -- was a significant factor for CETA PSE. Substitution was estimated to reduce net job creation such that only 80 to 90 percent of each Federal dollar spent resulted in direct job creation.

## LESSONS LEARNED -- A HISTORICAL PERSPECTIVE

### Employment Opportunity Pilot Projects (EOPP)

- o **President Carter proposed a guaranteed public job or training position as the work component of welfare reform. The Employment Opportunity Pilot Project (EOPP) was a test of the potential performance of that proposal.**
  - ▶ EOPP provided for intensive job search for up to 8 weeks, and then subsidized employment or training (SET) that lasted up to one year.
    - 65 percent of those enrolled in EOPP received job search assistance (JSA); and 17 percent received SET services.
    - 32 percent of those enrolled in JSA found unsubsidized jobs.
    - Of those who received SET services, 35 percent found an unsubsidized job, and 7 percent left for non-EOPP training or school.
  
- o **EOPP evaluation results were mixed**
  - ▶ EOPP showed modest employment and earnings gains for unmarried women, highly positive earning impacts on males, and highly negative earnings impacts on married woman. No difference in welfare dependency rates between demonstration and comparison sites were found.

## LESSONS LEARNED-- ADULTS

- o **JTPA programs are effective in increasing the earnings of adult women, and adult men**
  - ▶ National JTPA study reported **earnings gains of 7 percent (\$539)** for **adult women** assigned to JTPA programs over controls during the 18 month period following random assignment. For men, the earnings gains were 5 percent (\$550).
    - Women's earnings gain was composed of 3.7 percent increase in hours worked and a 3.4 percent increase in average hourly earnings.
    - Men's earnings gain was composed of a 4.5 percent increase in hours worked and no increase in hourly earnings.
  - ▶ Manpower Demonstration Research Corporation (MDRC) studies of State welfare-to-work programs found earnings gains for adult women in the range of 10 to 30 percent.
  - ▶ The JTPA impact study found earnings gains for women assigned to classroom training and on-the-job training (OJT) -- earnings gains for men were concentrated in OJT.
    - Rockefeller Foundation study of job training for single minority women heads-of-household found a strong 25 percent earnings gain from the Center for Employment Training's (CET) highly structured program.

## LESSONS LEARNED -- YOUTH

- **JTPA programs are -- as currently designed -- are ineffective in serving female youth, and counter-productive in raising the earnings for male youth**
  - ▶ JTPA programs had **no effect** on the earnings of out-of-school **female youth**. (A 1.8 percent increase in hourly earnings offset by a 4.7 percent reduction in hours worked).
  - ▶ For **male out-of school youth**, assignment to a JTPA program has **negative effects** -- nearly an 8 percent reduction in earnings compared to controls. (Primarily due to a 6.8 percent decrease in hours worked).
  - ▶ Results are consistent with Supported Work and JOBSTART findings for youth although the four year follow up for JOBSTART shows positive results for male youth with prior arrest records.
  
- **JTPA services have a positive impact on the educational achievement female and male out-of-school youth.**
  - ▶ 26 percent of the young high school dropouts received a diploma or a GED compared to 15 percent of controls.

# **Major Welfare-related Employment and Training Programs**

**in Brief**

**DEPARTMENT OF LABOR BRIEFING**  
**for**  
**THE WHITE HOUSE WELFARE REFORM TASK FORCE**

**Major Welfare-related Employment and Training Programs**

**Job Training Partnership Act (JTPA) Title IIA**

- o **Purpose:** Largest workforce investment program to increase the employability of economically disadvantaged adults and youth, and to place and retain them in jobs.
  - ▶ All welfare recipients -- AFDC and other public assistance recipients -- are eligible for JTPA services
  - ▶ AFDC recipients over-represented among Title IIA customers. AFDC customers represent 17 percent of those eligible for Title IIA services and 27 percent of those leaving the program (terminees). It is estimated that 30.2 million persons are eligible for Title A services -- 23.7 million adults and 6.5 million youth.
- o **Funding:** Estimated budget of \$1 billion during the year that will end June 30, 1994 (PY 1993).
- o **Major Services:** Skills assessment and career counseling, literacy and basic skills training, job search and job placement assistance.
- o **Customers Served:** PY 1991: Total-- 549,700 (310,000 adults). **AFDC Recipients Served:** 150,000 (87,000 adults)

## JTPA YOUTH PROGRAMS

### JTPA Title II Youth Programs

- o **Purpose:** Enhance the education and employability of economically disadvantaged in-school and out-of-school youth (ages 14 through 21) under **Title IIA year-round programs, and under Title IIC, the new JTPA title for youth programs** beginning July 1993. Provide educational enrichment and summer jobs for youth under **Title IIB**.
  
- o **Funding:** FY 1993 **Title IIA:** \$1 billion      **Title IIB:** \$1.05 billion      **Title IIC:** \$0.7 billion
  
- o **Major Services:** Title IIA and Title IIC year-round services may include basic skills training classroom and on-the-job occupational skills training, work experience, and job placement. School dropouts under age 18 must re-enroll in school or pursue a course of study leading to a GED. Title IIB services include summer employment and educational enrichment.
  
- o **Customers Served:**

	<u>Total (PY 91)</u>	<u>AFDC Recipients Served (PY 91)</u>
▶ <b>Title IIA:</b>	549,000	150,000
Adults:	(310,000)	(87,000)
▶ <b>Title IIC:</b>	239,000*	62,000*
▶ <b>Title IIB:</b>	680,000	176,800

\* Projected

## **Job Corps**

- o **Purpose:** Help severely disadvantaged youth ages 16 through 21 become responsible citizens, prepared to obtain and hold productive jobs or enroll in vocational and technical school, community colleges or other institutions for further skill training.
  - ▶ A Job Corps expansion is planned from 108 up to 162 centers by 2001.
  - ▶ Job Corps' emphasis on increasing women's enrollment in non-residential centers may increase participation of AFDC recipients.
  
- o **Funding:** FY 1993 budget estimate is \$966 million. The FY 1994 budget request to support a proposed Job Corps expansion \$163 million. The FY 1994 House mark for Job Corps is \$1,040,469 out of a \$1,153,669 FY 1994 request.
  
- o **Major Services:** Highly intensive and primarily residential training program that also provides food, housing, basic education, vocational training counseling, supportive services, and medical care.
  
- o **Customers Served: Total** -- 60,246 terminees in the year ending June 30, 1992 (PY 1991).

**AFDC Customers served -- 13,578**

## JTPA TITLE III SERVICES FOR DISLOCATED WORKERS

- o **Purpose:** Help dislocated workers find jobs as quickly as possible.
  - ▶ Economic Dislocation and Worker Adjustment Assistance Act (EDWAA) is authorized under Title III and includes separately funded programs for workers dislocated due to defense conversion, and the implementation of new clean air standards.
  - ▶ The Trade Adjustment Assistance (TAA) program provides retraining and income support to trade-affected workers only.
  
- o **Funding:** The estimated FY 1993 funding for EDWAA is \$596,646, 000 million. For TAA, the estimated FY 1993 funding is \$211,250,000. The total FY 1994 budget request for EDWAA and TAA is \$1.921 billion. The House mark is \$1,118,000 for FY 1994.
  
- o **Major Services:** Labor market information and job search assistance, remedial education, job retraining, and supportive services.
  
- o **Customers served:** Total -- 131,000 (terminees) **AFDC Recipients Served** -- 2,620 or 2 percent of the total number of persons leaving the Title III programs.

## JTPA TITLE IV TARGETED PROGRAMS AND DEMONSTRATIONS

### Demonstration Programs

- o **Purpose:** To demonstrate new and effective strategies for serving customers with needs that present special barriers to their success in the labor market.
- o **Funding:** Grant programs with project-specific budgets.
- o **Major Services and Customers Served:**
  - ▶ **Youth Fair Chance** -- Comprehensive community development strategy targeted on youth in high poverty areas. A supplemental of \$50 million is requested in FY 1993, and \$25 million is requested in FY 1994 to serve youth in communities with poverty rates above 30 percent. There are prototype sites operating in 11 communities.
  - ▶ **New Chance** -- Training for young mothers ages 16 through 19 who are high school dropouts and receiving welfare. The 16 site demonstration received \$550,000 per year in Labor Department funds 1988-1993.
  - ▶ **Parents Fair Share** -- Conducted under JOBS to test the effectiveness of linking child support enforcement with training services for non-custodial parents, mainly fathers. Labor Department contributes \$500,000 to support for research activities.
  - ▶ **Unwed Fathers Project** -- Offers counseling, education and training, job placement for unwed fathers of welfare families. The 6 site pilot will enroll at least 300 fathers with a Labor Department contribution of \$200,000.
  - ▶ **Job Training for the Homeless** -- A program to develop and evaluate new strategies for serving homeless customers through training to improve job retention, and to achieve permanent housing. Funding of \$7.5 million in FY 1993 served an estimated 7,100 customers.

## **JTPA TITLE IV TARGETED PROGRAMS AND DEMONSTRATIONS**

### **Targeted Programs Native Americans, Migrants and Older Workers**

- o **Purpose:** Provide education and training services to combat chronic under-employment and unemployment among Native Americans, and migrant and seasonal farmworkers. Provide subsidized part-time employment to low-income older persons.
- o **Funding: Native Americans and Migrants programs** -- FY 1993 budget estimate is \$140 million.  
**Older Americans programs** -- FY 1993 budget estimate is \$396 million.
- o **Major Services:** Basic skills training, work experience, counseling, job search and job placement assistance. Subsidized community service employment for older workers.
- o **Customers Served: Total (PY 1991)** -- Native Americans: 21,400; Migrants: 53,000 (PY 1990); Older Americans: 9500 **AFDC Recipients Served** -- Not available

## **JTPA TITLE V, JOBS FOR EMPLOYABLE DEPENDENT INDIVIDUALS (JEDI)**

- o **Purpose:** Provides a bonus to JTPA Service Delivery Areas (SDA) and service providers where job placement and retention of absent parents and SSI recipients who are JTPA customers result in reductions in welfare and SSI payments. The bonus paid is equivalent to the reductions in these payments the SDA and its service providers achieve.

## **Proposed New Workforce Investment Initiatives**

## PROPOSED NEW WORKFORCE INVESTMENT INITIATIVES

- **ONE-STOP CAREER CENTERS -- Increasing access to local services and information**
  - ▶ Easy access to customer-driven services and information on education and training resources, jobs, labor market information, and career planning and job search services.
  - ▶ Provides universal coverage -- all individuals and employers are potential customers of the center.
- **COMPREHENSIVE WORKER ADJUSTMENT -- Addressing worker dislocation regardless of cause**
  - ▶ Comprehensive services tailored to individual reemployment and skill development needs.
  - ▶ Early intervention with quality services to re-employ customers as quickly as possible in jobs with wages as high or higher than before job loss occurred. Provide income support so that customers can complete training.
- **SCHOOL-TO-WORK TRANSITION -- Preparing youth for high skilled, high wage careers**
  - ▶ Linking academic and work-based learning to achieve the technical and workplace skills the new economy requires.
  - ▶ Enabling students to attain high academic standards and meet rigorous industry-recognize skill standards

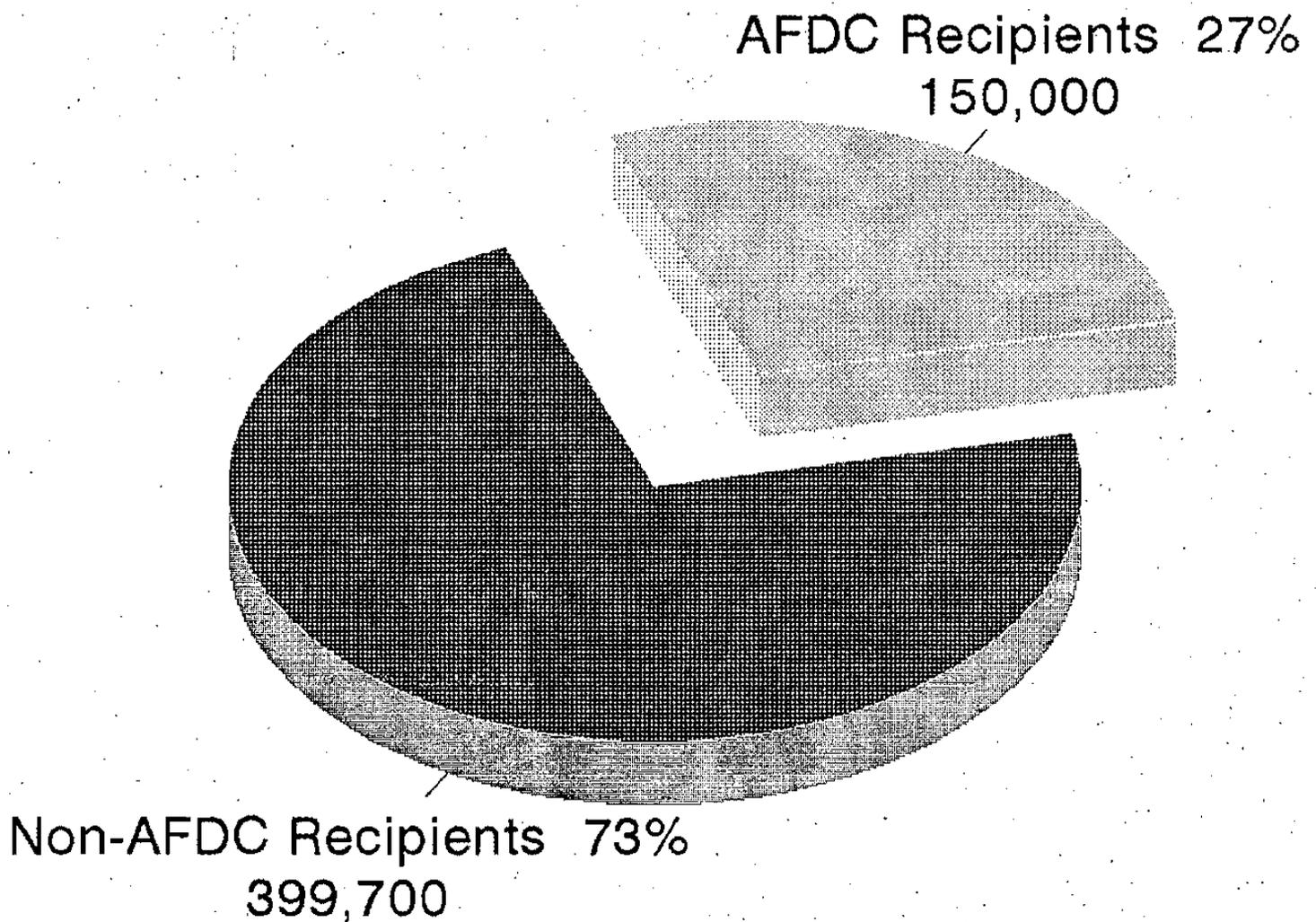
- o **SKILL STANDARDS -- Getting the highest productivity gains from workforce investments**
  - ▶ Skill standards set benchmark competencies for an occupation or cluster of occupations based industry-developed standards.
  - ▶ Directs workforce investments to skills employers need to compete globally.
  - ▶ Safeguards learning investments and employment security through certified and portable skills.
  
- o **GOVERNANCE -- New approaches to managing the workforce investment system**
  - ▶ Places planning, management, and decision-making in the hands of those who deliver services to customers.
  - ▶ Brings local knowledge and creativity to bear on managing scarce resources to achieve better outcomes.

**Customer Characteristics and Program Outcomes**

**JTPA Title IIA and Job Corps**

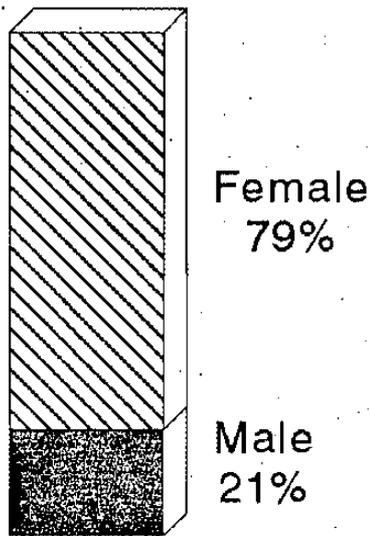
# Participation of AFDC Recipients in JTPA Title IIA

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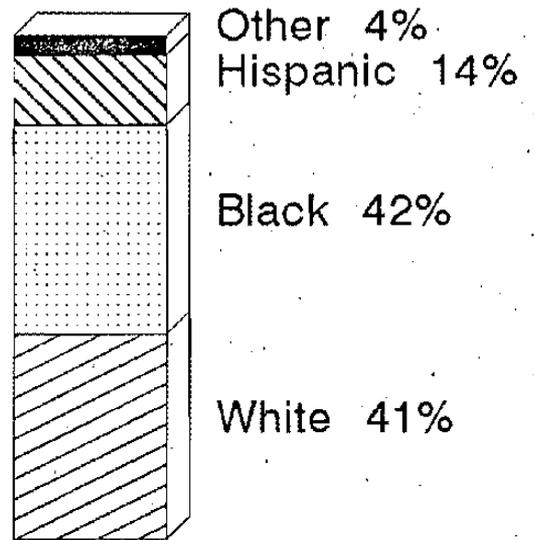


Source: Job Training Quarterly Survey

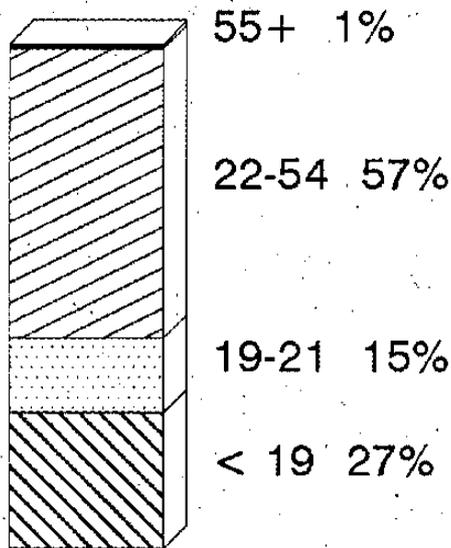
# Characteristics of AFDC Recipients in JTPA Title IIA, PY 1991



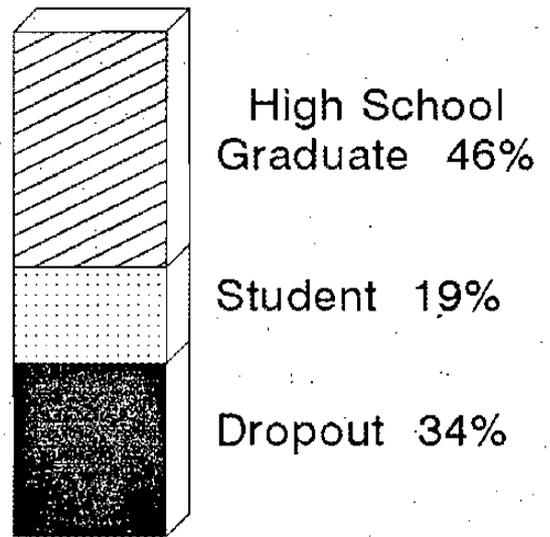
Gender



Race



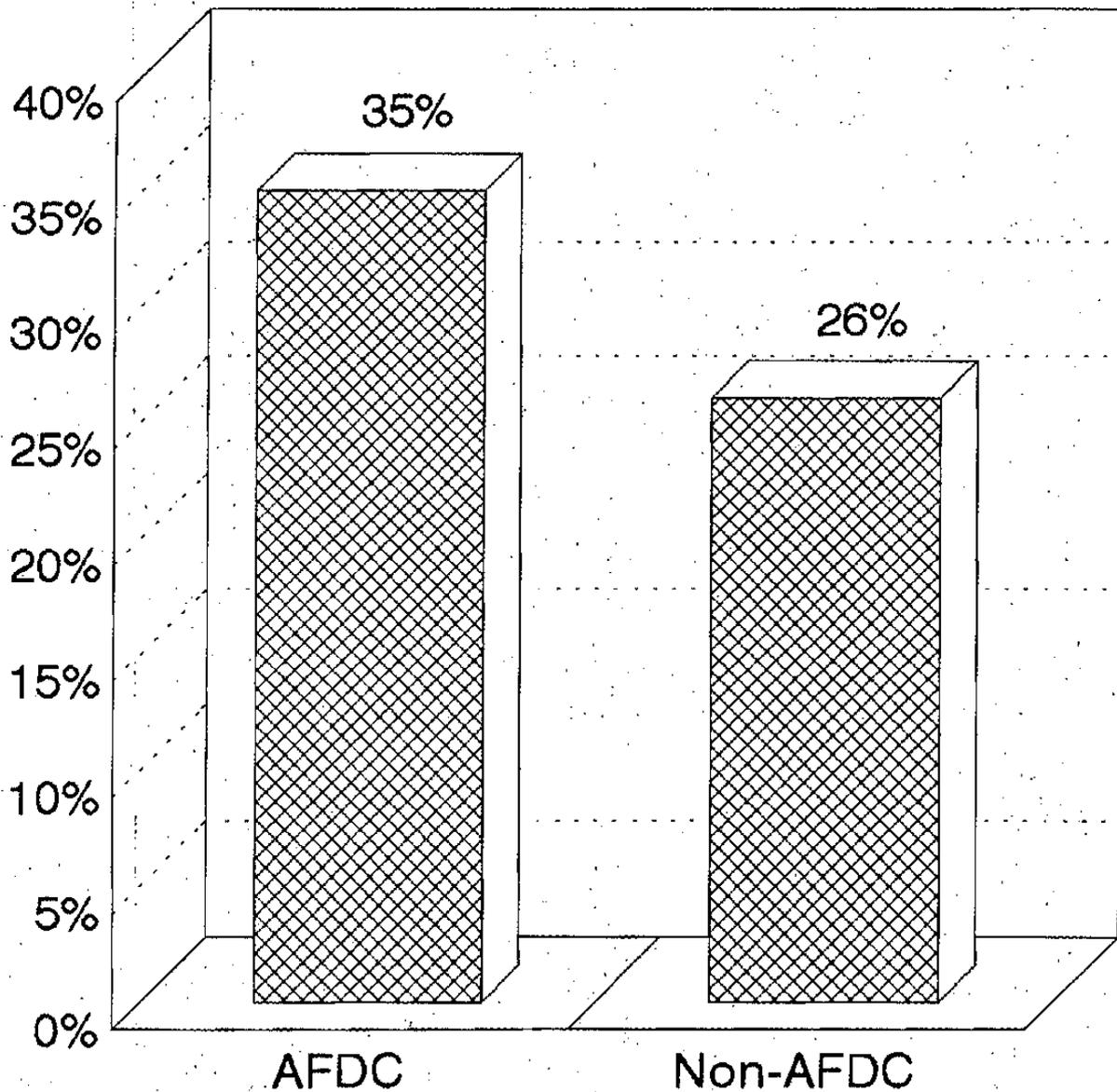
Age



Education

# AFDC Recipients and Non-Recipients in JTPA Title IIA, PY 1991 High School Dropouts

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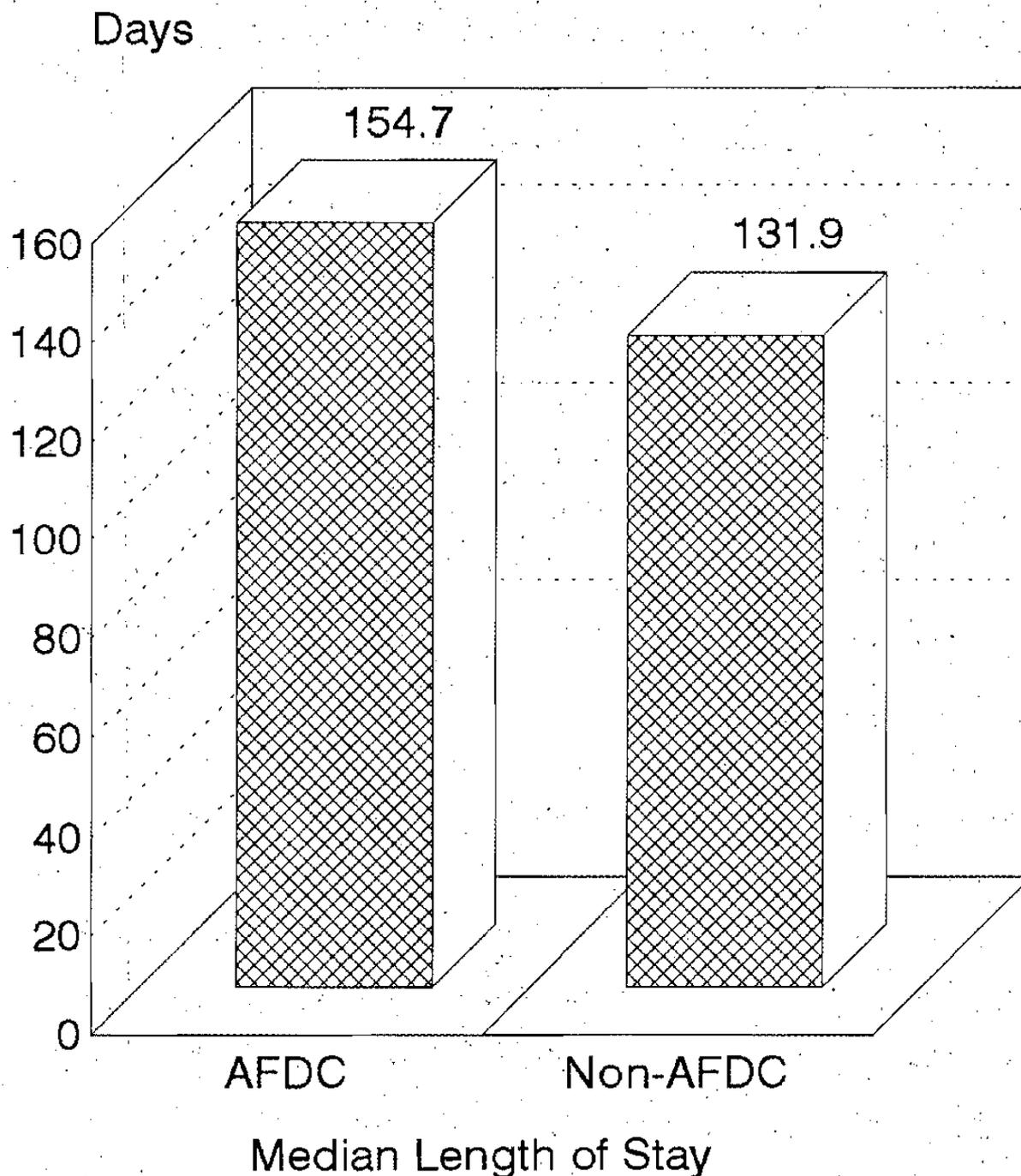


Percentage of IIA Participants  
Who Are High School Dropouts

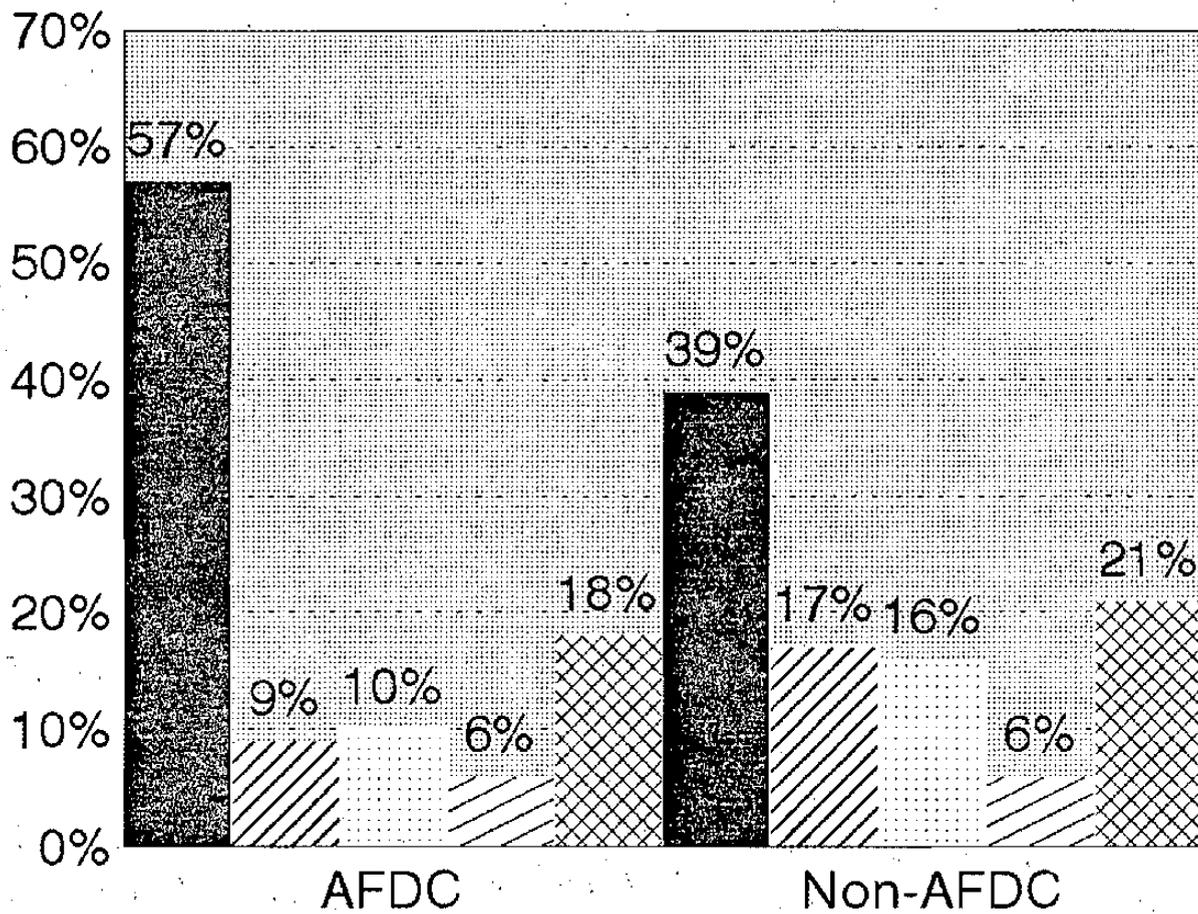
# AFDC Recipients and Non-Recipients in JTPA Title IIA, PY 1991

## Duration of Participation in Program

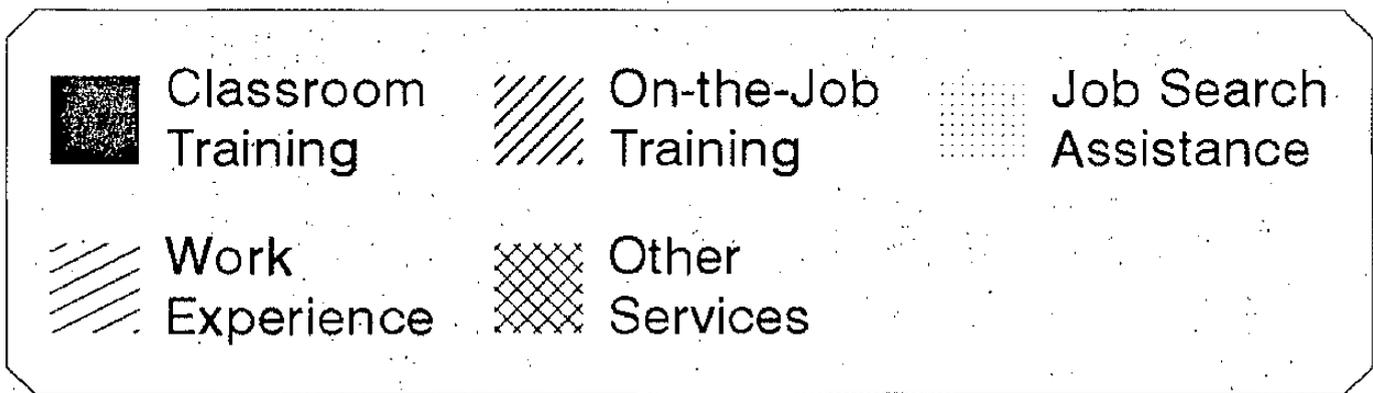
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# AFDC Recipients and Non-Recipients in JTPA Title IIA, PY 1991 Program Activities



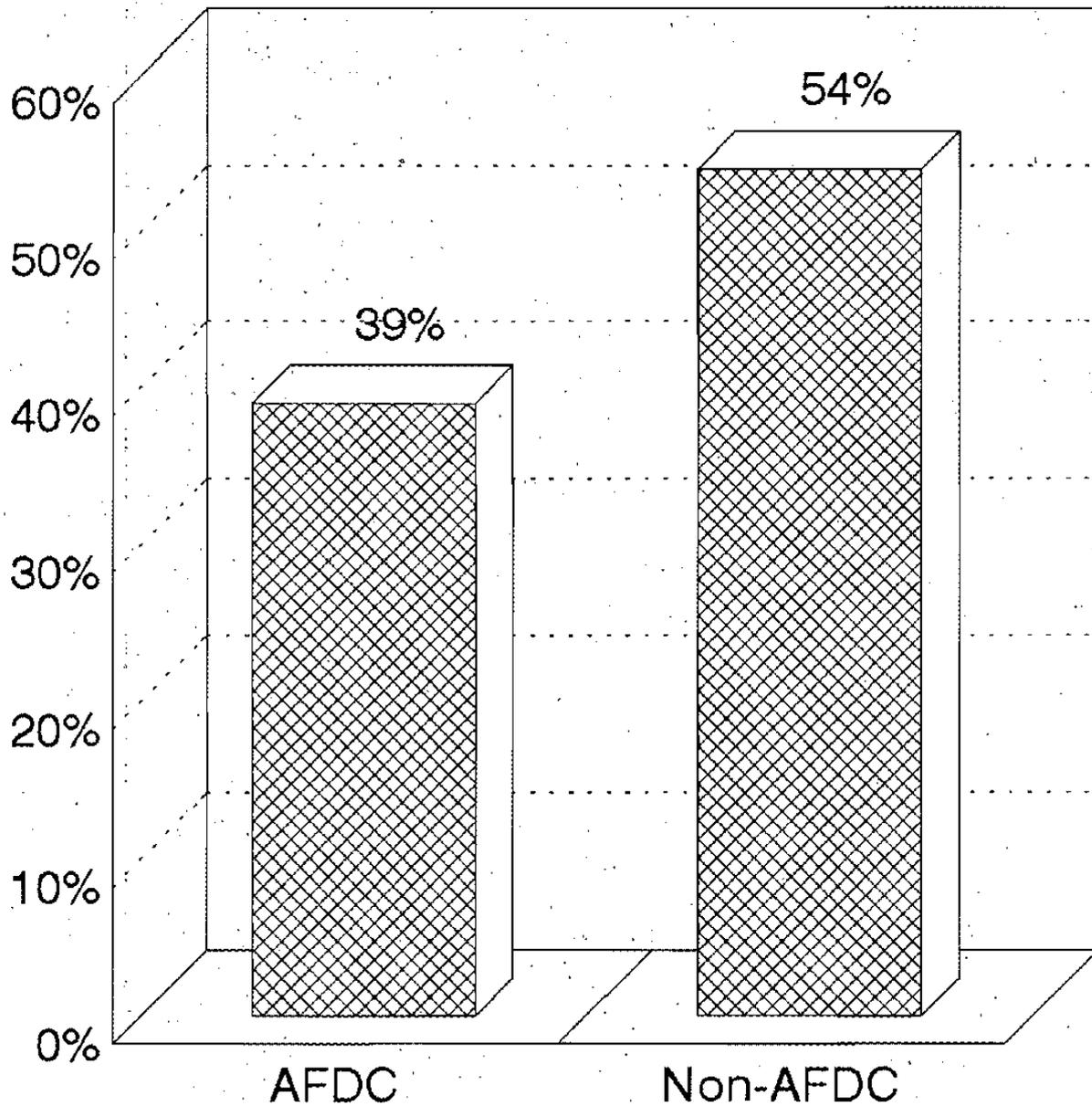
Program Activities and Participation Rates



# AFDC Recipients and Non-Recipients in JTPA Title IIA, PY 1991

## Entered Employment Rates of Program Terminees

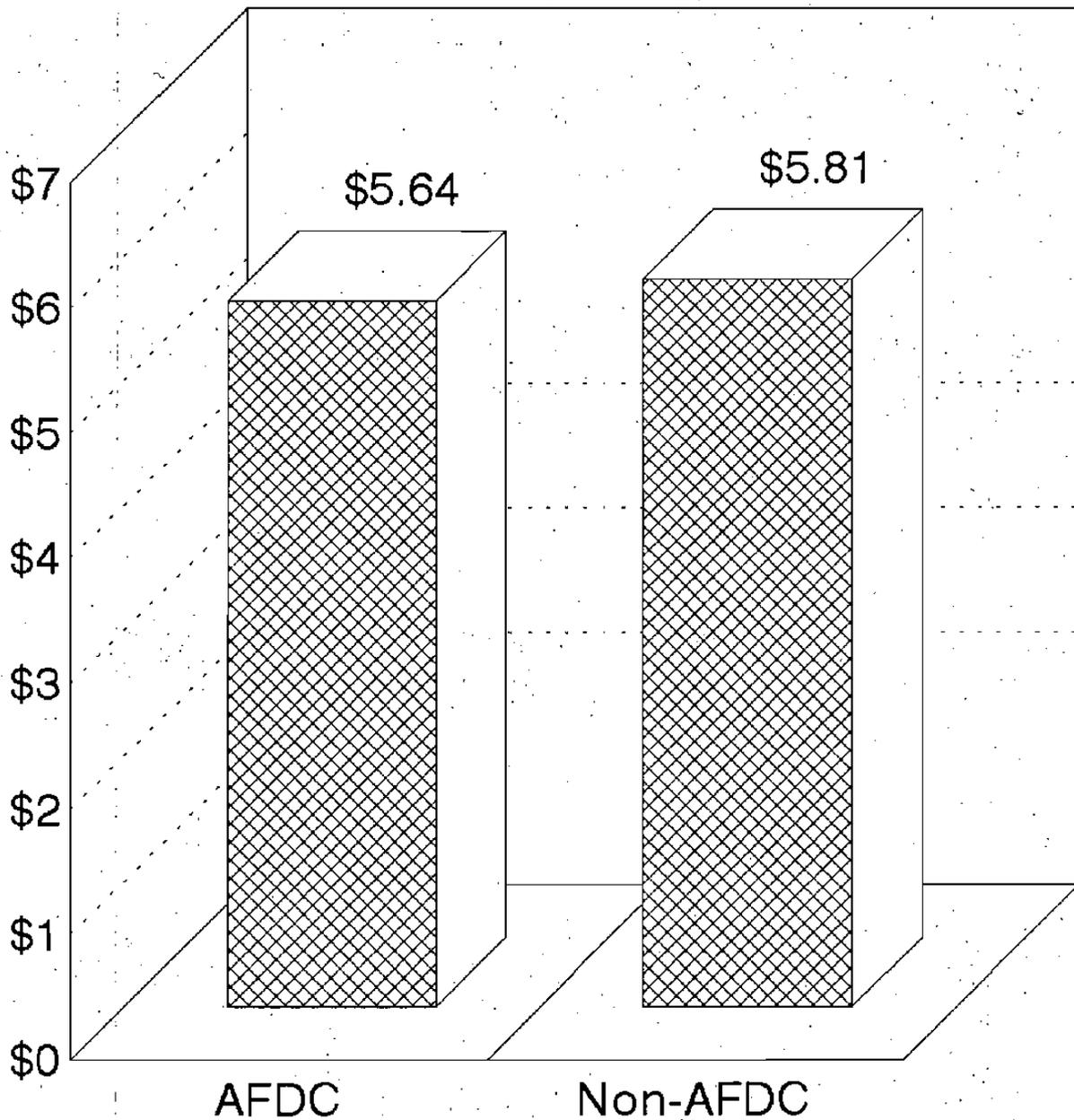
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Percentage of IIA Participants  
Entering Employment

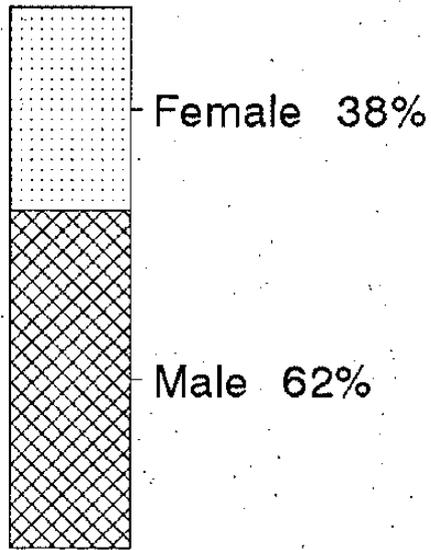
# AFDC Recipients and Non-Recipients in JTPA Title IIA, PY 1991 Average Wage

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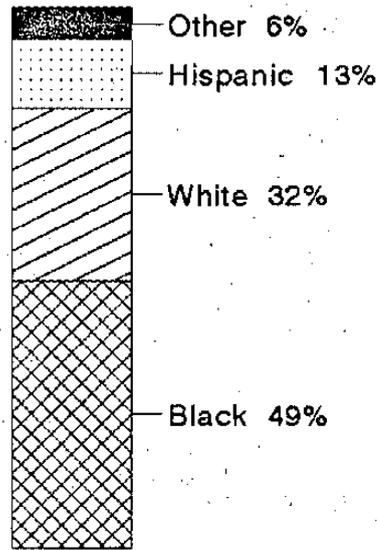


Average Hourly Wage at Termination

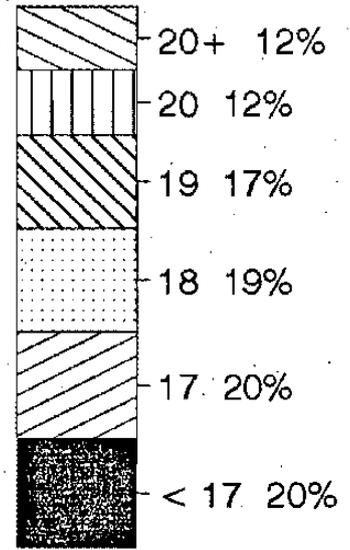
# Characteristics of Job Corps Enrollees PY 1991



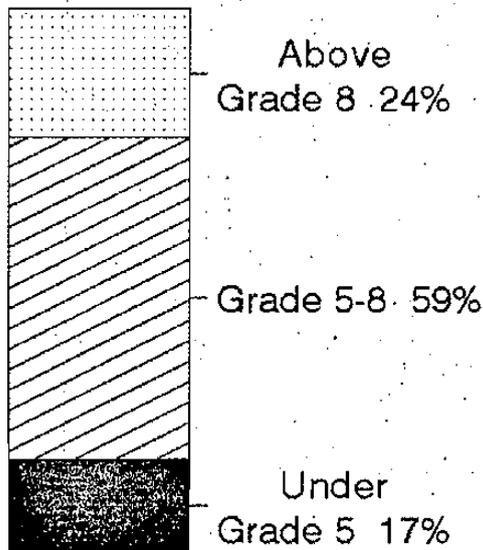
Gender



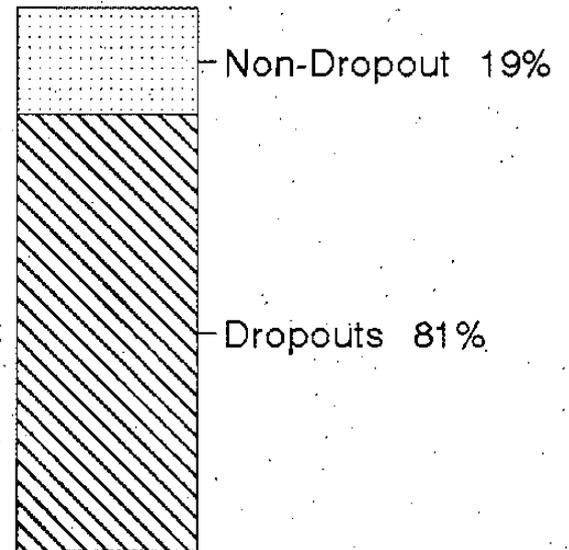
Race



Age At Entry



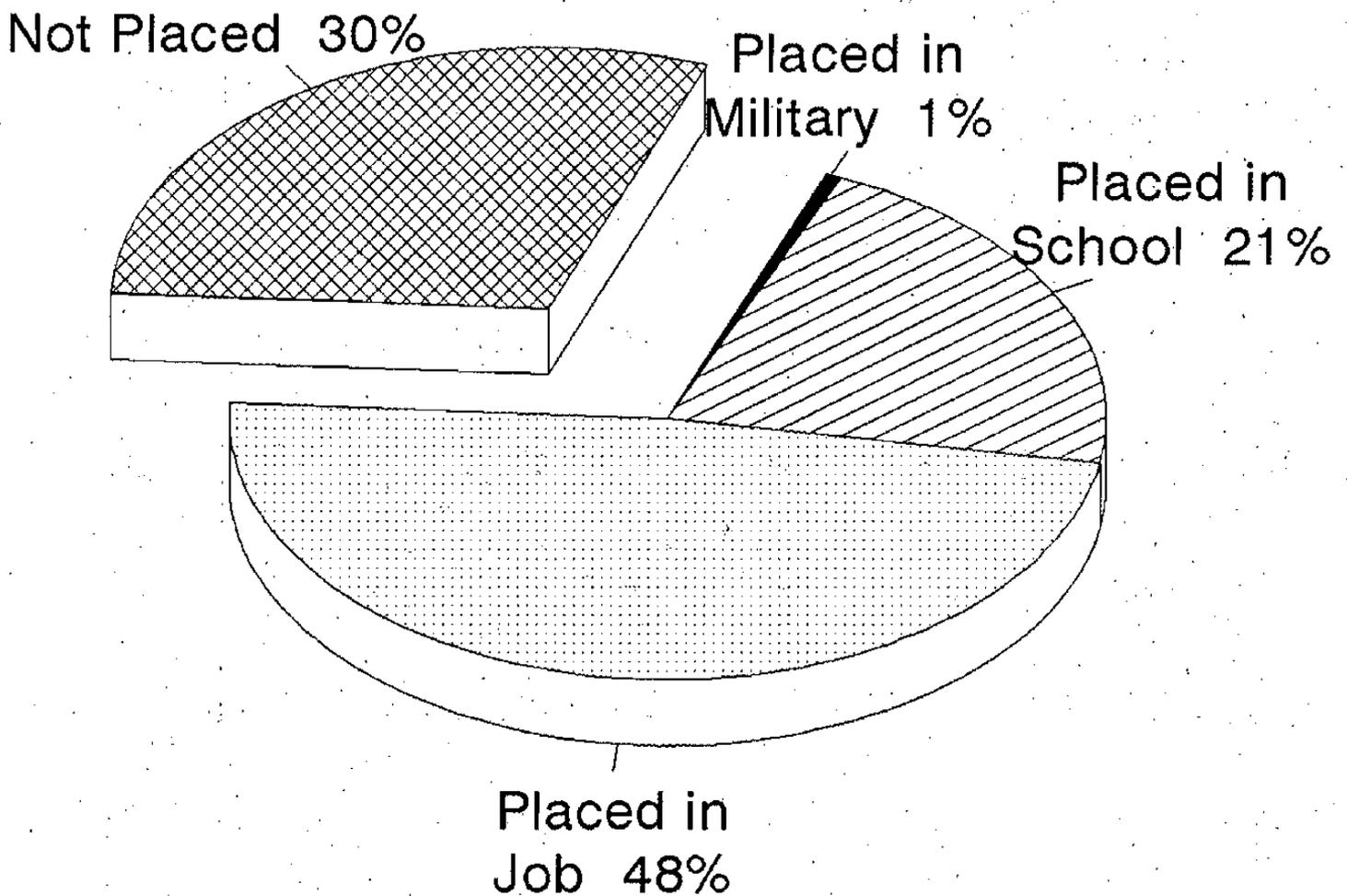
Entry Reading Level



High School Dropouts

# Job Corp Outcomes for Participants From Families Receiving Public Assistance PY 1991

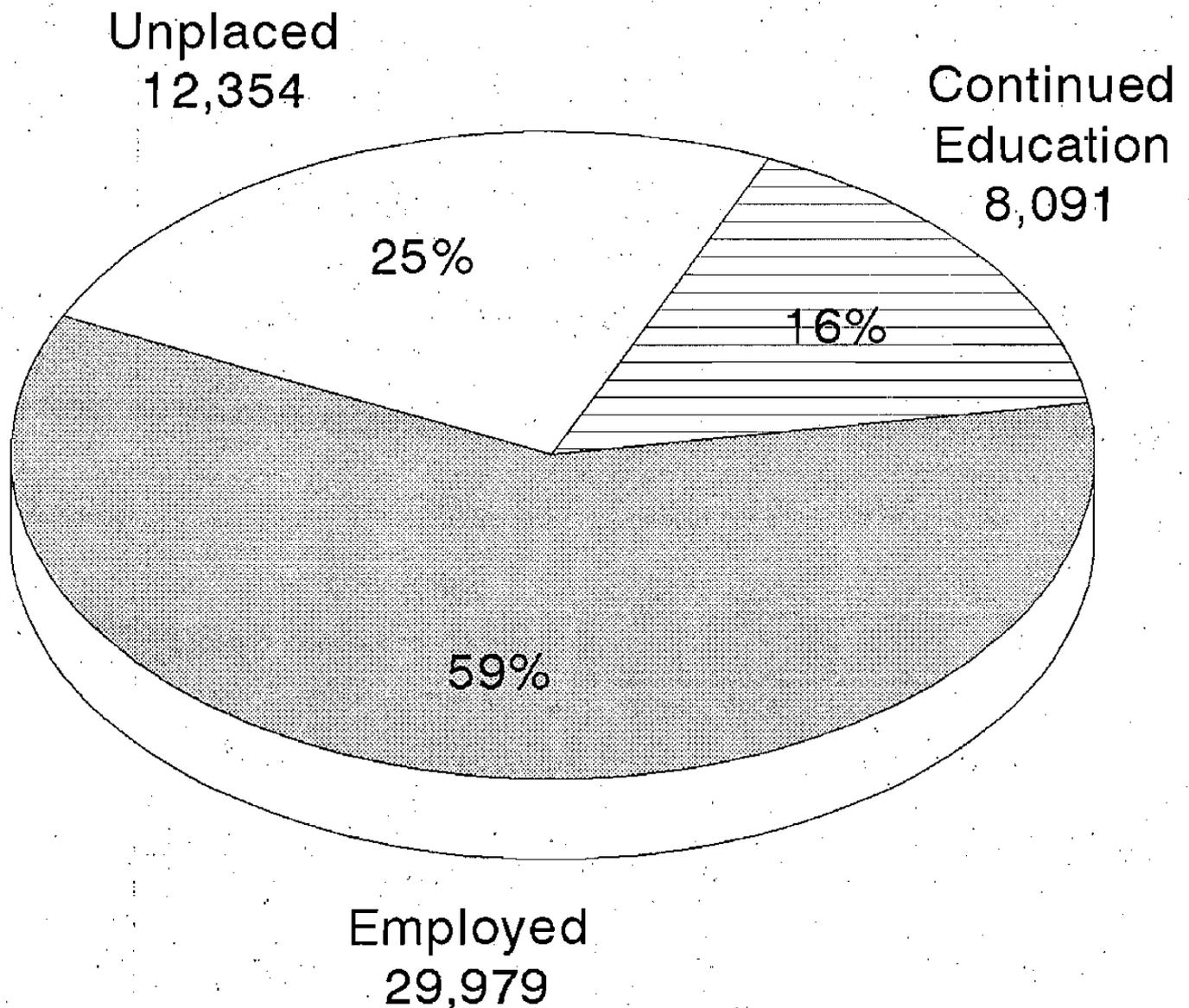
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Reported Outcomes

# Job Corps Outcomes PY 1991

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Reported Outcomes of PY 1991 Terminées