

E X E C U T I V E   O F F I C E   O F   T H E   P R E S I D E N T

29-Apr-1994 10:34am

TO: Carol H. Rasco

FROM: Stanley S. Herr  
Domestic Policy Council

SUBJECT: RE: Al Kamen column today

William Kiernan's numbers are (617)735-6506 office  
and [REDACTED] P6/(b)(6) home.

His address is: Children's Hospital  
Institute for Community Inclusion  
300 Longwood Avenue  
Boston, MA 02115

I also tracked down Jay Klein's number (note corrected spelling of his name) who  
is said by Judy to have considerable experience on the same topic:

[REDACTED] P6/(b)(6) He is also a director of the National of Home of your Own  
alliance ("the own your own front door" folks), and is based at University of  
New Hampshire, 125 Tech Drive, Durham, NH 03824.

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LATE BREAKING DEVELOPMENT: I just heard that the President will be meeting  
some 125 members of the disability community in the WH at noon this Monday. I  
put a call into Mike Lux who is apparently coordinating this event. My  
information is that most of the invitees will be members of ADAPT, the National  
Council on Disability (Marca Bristo who is in town despite the loss last Monday  
of her closest companion), and I don't know who else. I've already had calls  
from some of our appointees with disabilities who either will be out of town  
that day (Bob Williams, Judy Heumann) or presumably want in (Gary Blumenthal).  
I gather that there was a long-standing invitation from Justin and ADAPT for the  
President to address a health care rally to be held on Monday at the Lincoln  
Memorial, and scheduling to go with this inside (presumably health-care focused)  
event. Anyway I will tell my appointee callers that this was a late-breaking  
decision, and refer them to Mike Lux. I think it would be politic to invite our  
interested disability appointees, and will offer that suggestion to Mike unless  
I have other guidance from you.

What a day!

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## Clinton Presidential Records Digital Records Marker

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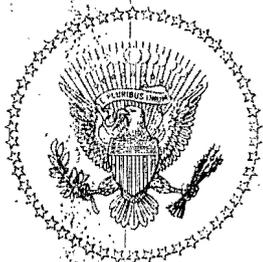
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Weekly Compilation of

# Presidential Documents



Monday, April 19, 1993  
Volume 29—Number 15  
Pages 571-606

*Jefferson at 578*  
*Learning 110 at 581*  
*Summer jobs at 588*

Paul Diamond  
(read comments)

## ASKING THE RIGHT QUESTIONS ABOUT FINANCING LIFELONG LEARNING?

1. Federal financing of post-secondary education and training is now premised on a hodge-podge of programs and separate funding streams, e.g., for apprenticeship and student loans from DoEd, Job Training Partnership Act from DOL, JOBS from HHS, etc. With the exception of the revised student loan program, all are premised on the federal government (often in partnerships with the States) funding post-secondary education and training from current appropriations for grants to individuals or to providers. This means that the recipient of the education and training service is given a hand-out by current taxpayers and has no obligation to share in any resulting increase in earnings; and, given current budget constraints and competing priorities, there is virtually no room for meaningfully increasing investments in people's learning after secondary school.
2. The National Service Trust offers the beginnings of an alternative mechanism for financing education: income contingent loans to students. If structured properly under federal credit reform, the only impact on the current federal budget of such direct federal loans or guarantees is the total present value of (a) any federal subsidy in the interest rate, (b) any guarantee, and/or (c) any projected defaults on principal and interest repayments. (In addition, the direct federal loans are a debt owing to the U.S. government and, therefore, can be collected directly by IRS through withholding taxes and annual tax returns and can be subject to other collection procedures and penalties if not paid.) This means that the recipient of the education and training service financed by the federal government has an obligation to share in any resulting increase in earnings; and there is no budgetary limit on the amount of investments that the federal government may make available to qualified individuals who choose to borrow to invest in their own learning to increase their future earnings potential.
3. In a world where the means of production and the nature of work, employment, and firms are so rapidly changing, we need to find a fiscally responsible, administratively feasible, and economically sound means to finance learning for all interested persons throughout the lifespan that fits our culture and maximizes our potential. Given the lack of evidence that any particular form of post-secondary education or training is particularly well-suited to provide the necessary opportunities for meaningful learning throughout the lifespan in the turbulent decades ahead, why not empower each qualified individual to invest in his or her own future? In a nation where federal and state budget constraints do not permit government to spend more for lifelong learning, alternative means of financing must be found. Is there any better way than for the federal government to establish a means to finance the opportunity for every individual to take responsibility for investing in their own future, learning what each individual will find most rewarding through out his or her own life, and repaying that investment through a share in their own lifetime earnings?

### THESIS:

Not only is it lifelong learning, stupid!  
It's also stupid not to have  
the primary beneficiary of learning pay for it,  
particularly when no one else has as much stake in the outcome.

A Universal Personal LIFETIME learning Trust could provide the means to finance lifetime learning through direct, income contingent federal loans to all interested and qualified learners. First, UPLIFT would substitute direct loans to qualified post-secondary learners at any time in their life for the plethora of current federal training and education programs and bureaucracies that seek to provide education to some for a college education and job training for a few to transition from one job to another or from welfare to a job. UPLIFT would permit the financing of all lifetime learning, without regard to current federal, state or local budget constraints: we could put people first by empowering them to invest in their own learning throughout their lives.

Second, UPLIFT would place the responsibility for paying for learning on those to whom it matters the most -- the learner who will get out of the education experience only what he or she puts into it. The supply of learning experiences would then be driven by what the whole host of learners demand, not what current providers offer or what any government believes is the next wave of the future. Rather than bet on the interlocking webs of firms with lifetime employment as in Japan or on the federally mandated, public-private training and central bank financing of business as in Germany, UPLIFT would encourage all of our people to invest in themselves and in our future through taking responsibility for their own learning in tens of thousands of public, private, for-profit and non-profit, on-campus and remote learning experiences throughout their lives.

Finally, in addition to stimulating demand for learning and supply of diverse learning experiences, UPLIFT would also stimulate a variety of private market alternatives to finance one or another niche in lifelong learning. Market safeguards could be included to assure some quality control: for example, requiring providers of learning experiences to disclose costs, short-term outcomes, long-term value added; sanctioning providers who misrepresent or leave a trail of participants who default on their income-contingent repayment obligations; or encouraging independent evaluation, grading, and reporting of the results of providers' services. What a shock it might be to all of our preconceptions to prove what we now only tout: that investment in human capital -- i.e., learning -- pays a market rate of return.

In sum, UPLIFT would provide a real legacy from the Clinton-Gore Administration to future generations -- the federal government using its financial muscle, with both smarts and prudence, to finance the opportunity of all persons to take responsibility for investing in their own learning for life!

Paul Brandt -  
Doug Becker

## ASKING THE RIGHT QUESTIONS ABOUT EDUCATION, SCHOOLING AND TRAINING?

### BACKGROUND:

1. The discussion about reforming education, schooling and training in this country focusses on improving the quality of the teachers, the organization and responsiveness of the schools, and the curriculum; lowering class size; integrating more services; raising standards for teacher and student performance, etc. The focus is improving the means of schooling, education and training--whether in adding a year to head start, expanding head start to cover all eligible children, improving k-12 education or training for school-to-work, welfare-to-work, dislocated worker-to-work, or career transitions. Even those who tout choice and market mechanisms as an alternative speak primarily in terms of improving the means of schooling.

2. This focus on improving the means of production--seen as education, schooling or training--has not led to any measurable increase in the efficiency of schooling this century. Yes, we have had major increases in the numbers of students who attend K-12 and graduate from high schools in this century, as we have made schooling universal. Yes, we have made progress in providing some increased portion of eligible pre-school children with a Head Start, as funding has gone up. But all of these improvements have been incremental not exponential: as we add schools and centers for care or training, as we add teachers and providers, as we add resources, there is sometimes a proportional increase in the numbers of persons trained, schooled or nurtured.

3. Compared to virtually any other industry in the twentieth century, education has had at best minimal gains in productivity. Consider that we grow and distribute more and better food today at a lower cost with only a fraction of the farmers that tilled the land at the turn of the century. We build better products, more efficiently, on a much more customized basis, with less environmental pollution, and with far fewer workers per unit of output than at the turn of the century; and, where we are not as efficient, responsive, and effective, we lose production overseas. We have whole new industries--entertainment, information, services--barely imagined at the turn of the century. We have an increasing variety of new technologies that have revolutionized industries, old and new alike, and that are remaking our nation and the world as a new economy unfolds all around us. Yet education, training, and schooling look, act, and produce much the same way they did at the turn of the century.

### THESIS:

IT'S LEARNING, STUPID!

In a Lever of Riches, Joel Mokyr begins:

Technological creativity, like all creativity, is an act of rebellion.

We need to consider whether such an act of rebellion is essential if we are to transform the skills of all of our people. We need to consider whether we are on the cusp of a technological revolution that will enable us to choose a new direction.

Consider three, related shifts in thinking:

1. It's Learning: Let the Learning Lever Begin. It is learning--not education, training, or schooling--that is at issue. From this perspective, the major problem is that we know that every person is different and unique. If we could invent efficient and effective means of learning, therefore, we would not be satisfied just by finding the common needs of most learners. Instead, we would try to customize the means of learning to serve each learner and to allow learners to proceed at their own pace, in their own styles, including by working at learning with one another in pairs or larger groups, as well as alone. Howard Gardner, and others, have begun to speak to such a different conception.

Such a reinvented vision of learning might seem to depend on having a wide variety of tutors for virtually every learner. Yet the primary work is done by the learner, not by the tutor. As a result, we can begin to imagine a system where the learner connects up with tutors at various times, but can also do much of the work of learning on her own (or, together, with peers and parents). What would be most helpful to such a reinvented system of learning are a wide variety of levers to assist the learner (and peers, parents and tutors) along a wide variety paths to learning. We, therefore, call these new tools: Learning Levers.

2. It's technology: Let the Rebellion Begin. For such a learning revolution to succeed, of course, we will need a technological revolution as well. And, one is on the horizon if not already upon us. To date, most computers have been linear--yes-no, stringing words and bits together in a line, computing numbers, most triggered by a numerical/alphabetical keyboard or a mouse. But images, sounds, non-linear information and insights, rolling frames and stop action, interactive multi-media are all coming together. Miniaturization, compacting of data, new means of transmitting images, sound and information, and so much more are upon us. The potential for creating all variety of Learning Levers is a rebellion in the making.

3. It's Interactive Entertainment: Let The Games Begin. Finally, the smashing rebellion is that the real variety (and payoff) is not in the hardware or the systems software of Learning Levers: it's in the content, the program, the entertainment, the production of the plays and the provision for the interactions. Current estimates are that 1% of the revenues, profits, and jobs are in making the hardware, up to 4% in the systems software, and something like 95% in the content. Imagine if CD's, games, entertainment, interactive multi-media, and all manner of engaging content all came together with the revolution in technology and a revolution in learning!

As an added bonus, here is a burgeoning new industry where the U.S. has a competitive edge on the rest of the world. If the 21st Century is to be an American Century as Ben Wattenburg argues, Learning Levers could be one of the major keys to translating what he assumes is our current cultural dominance into a major economic advance. Learning Levers could become the means to revolutionize learning--for all ages--in America, and around the world. Learning could become the biggest growth industry of the new information age: non-polluting, creative,

entertaining, creating thousands of new products and markets, millions of jobs, while serving the needs of learners of all ages everywhere.

So, how does such a vision inform our review of policy?

- We should explore how we can create an environment where such a revolution can proceed apace in a democratic fashion. We should make sure that Chapter I, Head Start, Apprenticeship, dislocated worker, other transitional training, and family assistance include some provision for allowing persons in need full access to Learning Levers.
- We should be cautious about betting all of our programs and dollars on improving the old means of education, training, and schooling.
- We should invest some of our programs and dollars in demonstrations of Learning Levers.
- In setting standards, we need to make sure that they are receptive to achievement through the use of learning levers
- We may need to rethink how we organize Healthy Start, Head Start, K-12, transitional training so as to be open to a greater variety of means of delivering services. States, localities, and public and private providers may all be affected dramatically.
- We may want to consider how far along such a revolution in learning may be, and what we can do to nurture it, including by creating a hospitable and rewarding intellectual property environment.
- We ought to begin planning for a major learning conversion with all variety of teachers, trainers, educators, nurturers, and other public servants.
- We should consider whether President Clinton could use his bully pulpit (and make available the existing resources of our government) to call on the private sector to make Learning Levers one of America's major contributions to the twenty-first century. For example, a national competition could be conducted annually to award the Presidential Prize for the most innovative Learning Lever for early childhood, childhood, early adolescence and adolescence, young adult and adults; for families, schools and libraries of the future, career transitions and lifelong learning; for interactive and portable learning games for the home, school, work and new, one-stop learning and career centers; etc.

Joel Mokyr documents that, over the centuries, major technological advances have provided what most economists fail to comprehend: a veritable "free lunch" in economic growth -- but only for those societies smart enough to embrace the new innovation and to withstand the inevitable dislocations as the means of production change and the pre-existing equilibrium is disrupted. Learning Levers offers our country such a Lever of Riches -- but only if we are smart enough to seek the liberating prize of learning for life for every person and bold enough to embrace the economic reward of constant personal, family, and community renewal.



United States  
General Accounting Office  
Washington, D.C. 20548

*School to Work*

**Human Resources Division**

July 24, 1992

The Honorable Edward M. Kennedy, Chairman  
Committee on Labor and Human Resources  
United States Senate

Dear Mr. Chairman:

The enclosed materials were prepared at the Committee's request and summarize information on the federally supported employment and training assistance available to out of school youth or adults not enrolled in advanced degree programs. The material includes a chart showing the executive branch agencies responsible for employment and training programs (enclosure 1), briefing charts summarizing the information we compiled (enclosure 2), a table listing the number of employment and training programs in each federal agency and their fiscal year 1990 and 1991 funding (enclosure 3), and detailed listings of the programs with their fiscal year 1990 and 1991 funding (enclosure 4). This information was compiled from the Catalog of Federal Domestic Assistance, fiscal year 1990 and 1991 federal budgets, agency documents, and discussions with agency officials.

We found 125 federal programs that provide various forms of employment and training assistance to adults and out of school youth with FY 1991 appropriations of \$16.3 billion. Some programs, such as the dislocated worker assistance program operated as title III of the Job Training Partnership Act, are counted as 3 programs--one with direct formula funding to local programs, another providing funds at the governors' discretion and a third providing funds at the discretion of the Secretary of Labor. Each is seen from the local level as an independent source of funding for dislocated worker assistance.

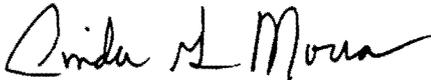
These programs were administered by 14 federal departments or independent agencies. However, most of the programs and the majority of the funding were for programs administered by either the Department of Education (49 programs with \$8.1 billion in funding) or the Department of Labor (30 programs with \$5.7 billion in funding). While four of the programs had funding of over \$1 billion each, many programs (72) had funding of less than \$50 million.

Most of the programs have particular target populations such as the economically disadvantaged, youth, or those with physical or mental disabilities. And, many of them provide similar services, such as counseling and assessment, occupational training or job placement services. In fact, we found many programs provide similar services to the same target populations. For example, we found 40 programs providing counseling and assessment to the economically disadvantaged, and 34 programs providing this group with remedial or basic skills training.

This myriad of programs creates the potential for overlapping services and confusion on the part of local service providers and individuals seeking assistance. Although multiple programs are an acknowledged problem, many barriers exist to effective program coordination or the integration of program services, such as varying target group definitions, differing administrative rules, and competition between programs. In related work we found examples of local Job Training Partnership Act (JTPA) programs coordinating their services with other programs, such as the Job Opportunities and Basic Skills (JOBS) programs (Job Training Partnership Act: Actions Needed to Improve Participant Support Services, GAO/HRD-92-124, June 12, 1992).

If you have any questions or would like to discuss this material further, please call me at (202) 512-7014, Sigurd Nilsen at (202) 512-7003, or Robert Rogers at (313) 256-8000.

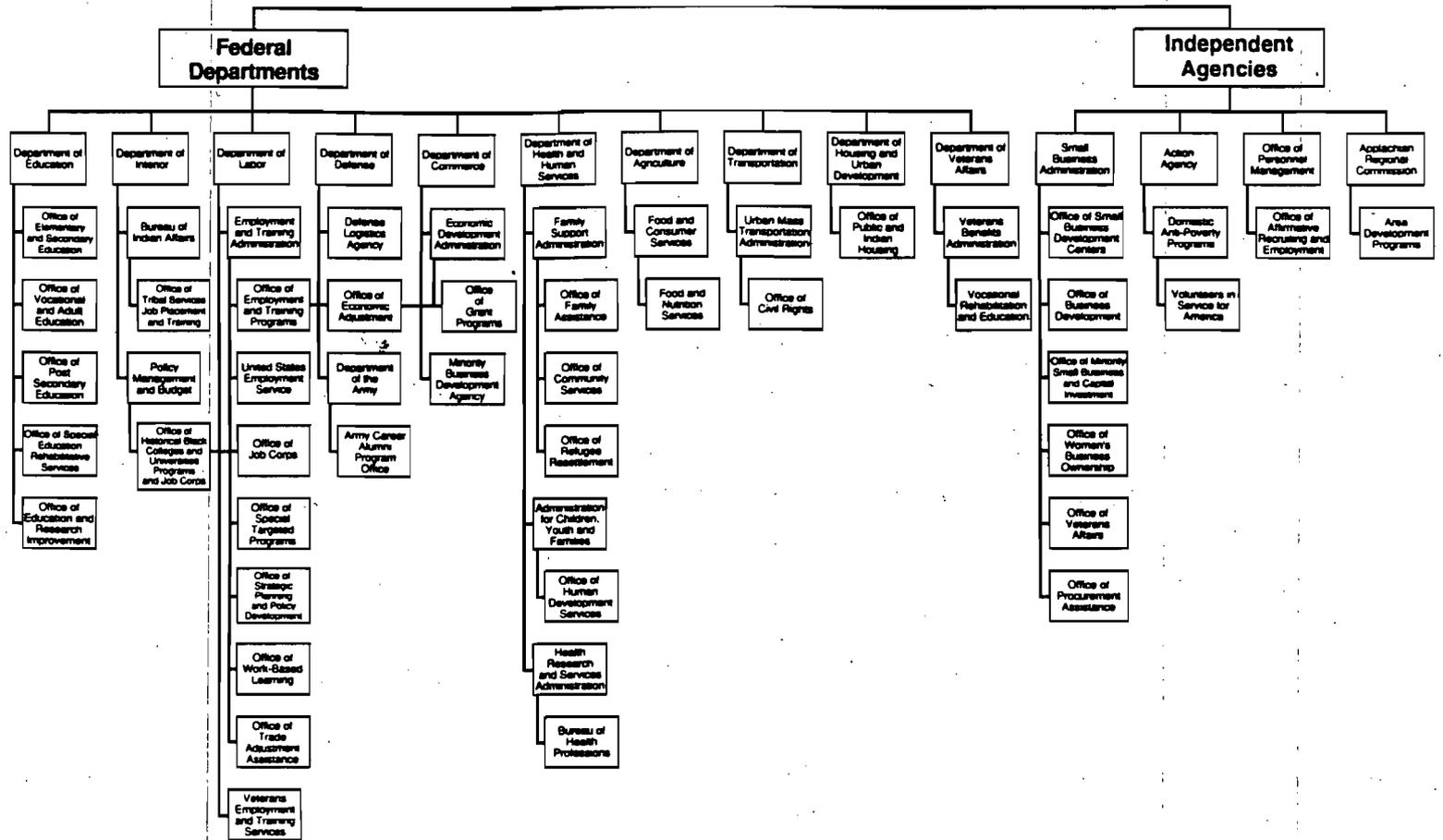
Sincerely yours,



Linda G. Morra, Director  
Education and Employment Issues

Enclosures - 4

# GAO Executive Branch Agencies Responsible for Employment and Training Programs



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**GAO OVERLAPPING EMPLOYMENT  
AND TRAINING PROGRAMS**

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**Briefing for  
Congressional Staff**

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**GAO OBJECTIVE: Assess Potential  
for Overlap and Confusion**

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**Identify programs with similar  
services for similar groups**

**Identify differing program  
definitions**

**Follow funding channels from  
federal to state to local levels**

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**GAO Myriad of Programs Create  
Overlap and Confusion**

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**125 programs provide similar  
services to similar target  
groups**

**Coordination hampered  
by many factors**

**Coordination difficult because  
funding channels resemble a  
sieve rather than a funnel**

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**GAO**

## **SCOPE AND METHODOLOGY**

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**Identified federally funded programs designed to...**

- assist the unemployed**
- create employment**
- enhance employability**

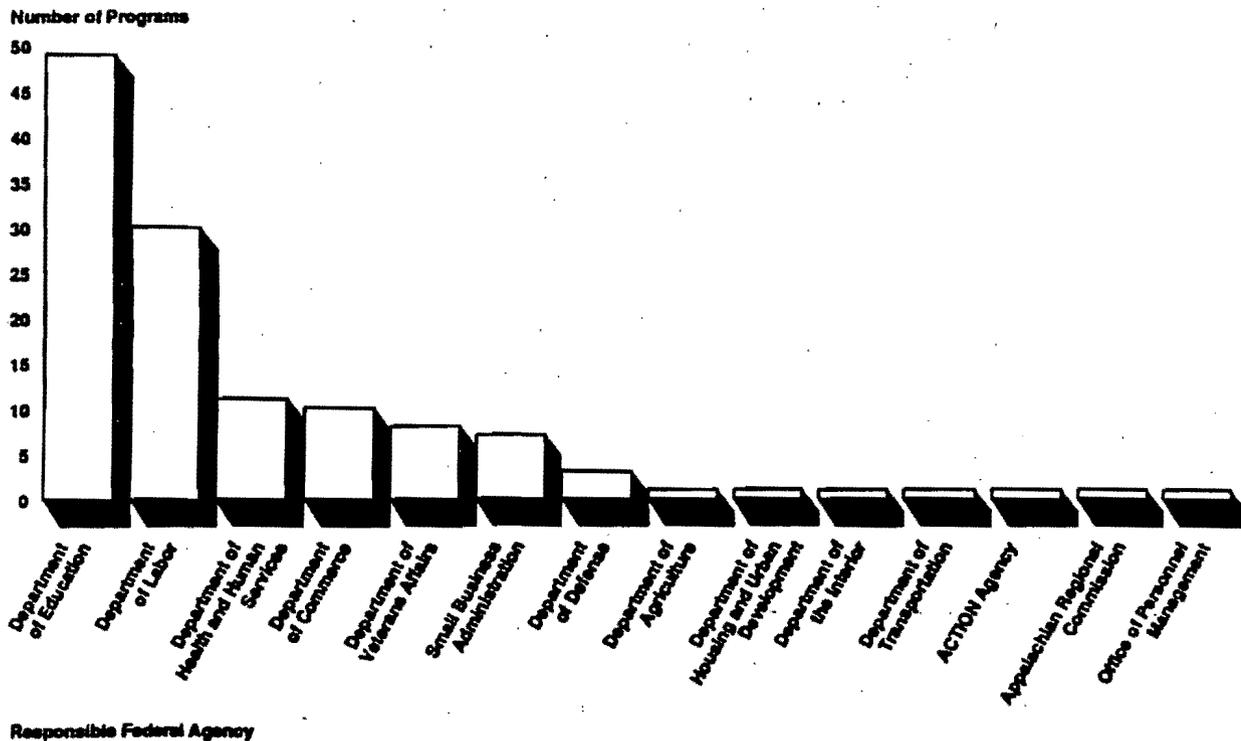
**that provided services to...**

- out-of-school youth**
  - adults not enrolled in advanced degree programs**
-

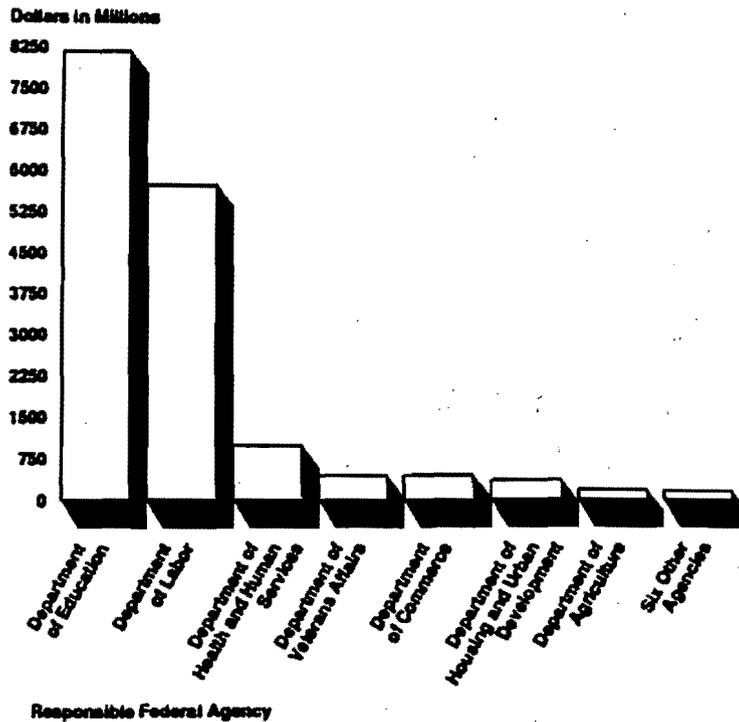
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# GAO 125 Programs Across 14 Federal Agencies

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# GAO Programs Spend \$16 Billion... Most in Education and Labor

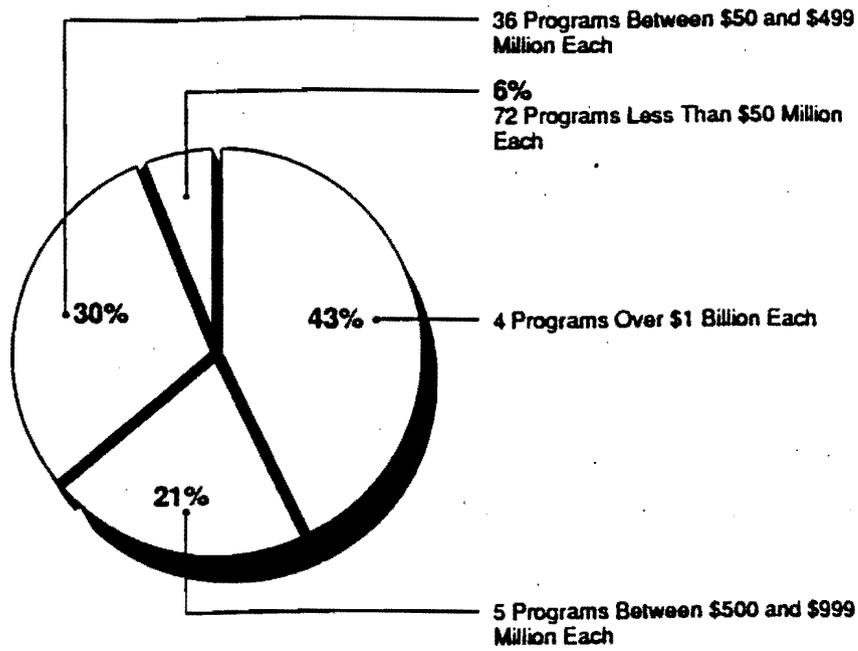


Based on FY 1991 funding levels for 13 of the 14 federal agencies.

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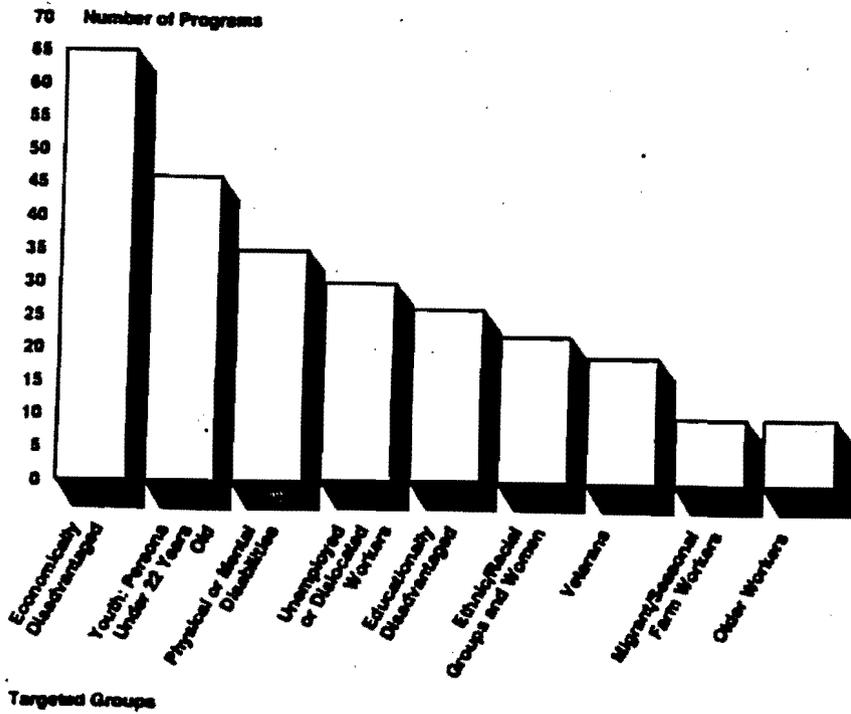
# GAO 72 Programs Spend Less Than \$50 Million Each

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Note: Distribution is for the 117 programs funded in FY 1991.

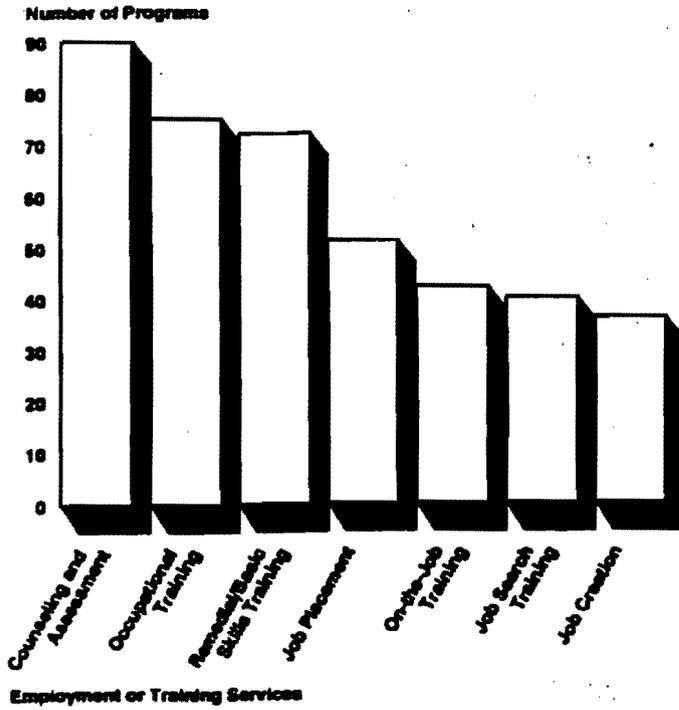
# GAO Many Programs Serve the Same Target Groups ...



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# GAO ... And Provide Similar Services

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# GAO Result: Overlapping Services

## EMPLOYMENT AND TRAINING SERVICES

TARGETED GROUPS	Counseling and Assessment	Remedial/Basic Skills Training	Classroom Occupational Trng	On-the-Job Training	Job Search Training	Job Placement	Job Creation
Economically Disadvantaged	40	34	37	23	26	29	27
Youth: Persons Under 22 yrs Old	37	36	27	17	17	23	6
Physical or Mental Disabilities	29	21	21	16	16	22	7
Educationally Disadvantaged	18	22	9	5	5	8	4
Unemployed or Dislocated Workers	20	12	18	13	14	15	18
Veterans	15	11	8	7	7	9	4
Ethnic/Racial Groups and Women	18	8	14	10	8	13	8
Migrant or Seasonal Farm Workers	8	9	5	3	4	6	3
Older Workers	9	7	8	6	8	8	5

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**GAO Differing Definitions Create  
Barriers to Coordination**

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**Varying target group  
definitions result in**

- Confusion among programs  
serving the same target groups**
  - Exclusion from some  
programs serving the same  
target groups**
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**GAO Programs Differ in Defining Economically Disadvantaged**

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Eligibility based on ...

- Level of income
  - Ability to pay
  - Welfare status
  - Residency in depressed area
-

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**GAO**    **Coordination Hampered by  
Fragmented Control of Funds**

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**Control lies at many levels**

- **State administrative agencies**
- **Local administrative agencies**
- **Local service providers**

**Multitude of agencies  
deliver services**

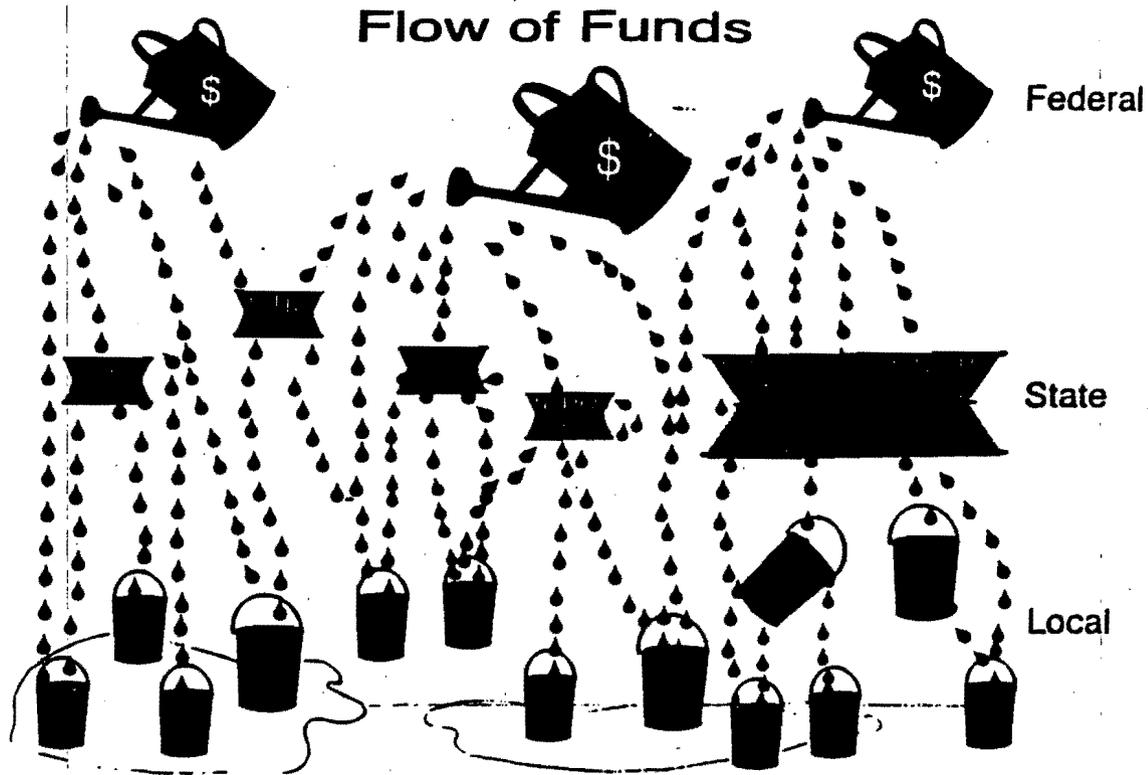
**In contrast, school districts  
coordinate Elementary and  
Secondary funds and services**

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# GAO Funding Process: More Like a Sieve Than a Funnel

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**GAO Other Barriers to Coordination**

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**Differing administrative rules:**

- **planning cycles**
  - **accountability**
  - **data collection requirements**
-

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**GAO Multiple Programs  
An Acknowledged Problem**

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**Attempts to improve  
coordination:**

**Federal initiatives**

- coordinating councils
- client advocacy programs

**State initiatives**

- agency reorganization
  - one-stop shopping
  - client tracking systems
  - new coordinating councils
-

FEDERAL EMPLOYMENT AND TRAINING PROGRAMS: FUNDING LEVELS BY AGENCY  
FISCAL YEAR 1990 AND 1991

<u>FEDERAL AGENCY</u>	Number of Programs	<u>Funding Levels</u> (000 omitted)		<u>Percent of Total</u>	
		<u>FY 90</u>	<u>FY 91</u>	<u>FY 90</u>	<u>FY 91</u>
ACTION Agency	1	\$ 3,053	\$ 6,050	0.02	0.04
Department of Agriculture	1	137,000	166,000	0.92	1.01
Appalachian Regional Commission	1	10,000	10,000	0.07	0.06
Department of Commerce	10	255,220	426,546	1.71	2.60
Department of Defense	3	12,442	14,168	0.08	0.09
Department of Education	49	7,681,052	8,139,819	51.40	49.59
Department of Health and Human Services	11	850,521	968,199	5.69	5.90
Department of Housing and Urban Development	1	na	340,343	--	2.07
Department of Interior	1	23,379	21,789	0.16	0.13
Department of Labor	30	5,461,183	5,802,105	36.54	35.35
Office of Personnel Management	1	na	na	--	--
Small Business Department of	7	106,659	89,724	0.71	0.55
Transportation	1	1,135	1,493	0.01	0.01
Department of Veterans Affairs	8	402,666	426,853	2.69	2.60
TOTAL	125	\$14,944,309	\$16,413,089	100	100

Legend: na - funding levels unavailable

FEDERAL EMPLOYMENT AND TRAINING PROGRAMS  
FUNDING LEVELS BY PROGRAM AND AGENCY  
FISCAL YEAR 1990 AND 1991

Federal agency	Program name	Funding Level (000 omitted)	
		FY 1990	FY1991
ACTION Agency	Literacy Corps	\$ 3,053	\$ 6,050
Department of Agriculture	Food Stamp Employment and Training	\$137,000	\$166,000
Appalachian Regional Commission	Appalachian Area Development Programs	\$ 10,000	\$ 10,000
Department of Commerce	Minority Business Development Centers	\$ 23,714	\$ 24,960
	American Indian Program	\$ 1,495	\$ 25,00
	Economic Development - Public Works Projects	\$109,830	\$140,825
	Economic Development - Business Development	\$ 35,000	\$150,000
	Economic Development - Planning Organizations	\$ 23,102	\$ 23,102
	Economic Development - Technical Assistance	\$ 6,613	\$ 6,613
	Economic Development - Public Works Impact Project	na	na <u>b/</u>
	Economic Development - State and Local Planning	\$ 4,724	\$ 4,724
	Sudden/Severe Economic Dislocation and Deterioration	\$ 50,742	\$ 24,371
	Community Economic Adjustment Assistance Program	—	\$50,000 <u>c/</u>
	Total	\$255,220	\$426,546

FEDERAL EMPLOYMENT AND TRAINING PROGRAMS  
FUNDING LEVELS BY PROGRAM AND AGENCY  
FISCAL YEAR 1990 AND 1991

Federal agency	Program name	Funding Level	
		FY 1990	FY 1991
Department of Defense	Defense Technical Assistance for Business Firms	\$10,700	\$9,000
	Military Base Reuse Studies/Community Planning	\$1,742	\$5,168
	Army Job Assistance Centers	--	na
	Total	\$12,442	\$14,168
Department of Education	Even Start	\$23,475	\$48,278
	Even Start - Migrant Education	\$726	\$1,493
	Women's Educational Equity Program	\$2,098	\$1,995
	Adult Indian Education	\$4,078	\$4,226
	Migrant Education - High School Equivalency Program	\$7,858	\$7,807
	School Dropout Program	\$19,945	\$34,064
	Adult Education - State Administered Programs	\$157,811	\$201,035
	Adult Education for the Homeless	\$7,397	\$9,759
	National Adult Education Discretionary Program	\$1,973	\$7,807
	Vocational Education Program Improvement	\$359,755	\$361,855
	Voc Ed Opportunities for Disadvantaged Individuals	\$184,061	\$185,135
Voc Ed Opportunities for Handicapped Individuals	\$83,664	\$84,152	

Federal agency	Program name	Funding Level	
		FY 1990	FY 1991
	Voc Ed Opportunities for Adults in Need of Training	\$100,397	\$100,983
	Voc Ed Opportunities for Single Parents and Homemaker	\$65,824	\$63,114
	Voc Ed Opportunities for Sex Equity	\$27,104	\$25,246
	Voc Ed Opportunities for Criminal Offenders	\$7,744	\$8,415
	Voc Ed - Cooperative Demonstration Programs	\$11,096	\$12,970
	Voc Ed - Indian and Hawaiian Natives Program	\$13,106	\$13,218
	Voc Ed - Community Based Organizations	\$10,850	\$11,711
	Bilingual Vocational Education	\$2,959	\$2,888
	Workplace Literacy	\$19,726	\$19,251
	English Literacy Program	\$5,888	\$976
	Demonstration Centers for Retraining Dislocated Workers	\$491	\$500
	Consumer and Homemaking Education	\$34,176	\$33,352
	Tech-Prep Education	--	\$63,434 <sub>c/</sub>
	Student Literacy Corps	\$5,042	\$5,367
	Pell Grants	\$1,921,791	\$2,149,713 <sub>h/</sub>
	Guaranteed Student Loan Programs	\$1,895,059	\$1,780,724 <sub>i/</sub>
	Supplemental Educational Opportunity Grants	\$110,076	\$124,837 <sub>i/</sub>
	Upward Bound	\$106,002	\$143,382
	Talent Search	\$27,115	\$46,000
	College Work Study	\$601,765	\$594,689

Federal agency	Program name	Funding Level	
		FY 1990	FY 1991
	Carl Perkins Loan Program	\$12,567	\$14,521 <sup>h</sup> /
	State Student Incentive Grants	\$8,581	\$9,212 <sup>i</sup> /
	Educational Opportunity Centers	\$12,095	\$14,000
	Veterans Education Outreach Program	\$2,801	\$2,733
	Student Support Services	\$90,638	\$120,700
	Rehabilitation Services - Basic Grants to States	\$1,528,498	\$1,632,625
	Postsecondary Education for Handicapped Person	\$6,510	\$8,559
	Secondary Schools Basic Skills Programs	\$4,938	\$0 <sup>d</sup> /
	National Center for Deaf-Blind Youths and Adults	\$4,938	\$5,367
	Handicapped Migratory and Seasonal Farm Workers	\$1,086	\$1,060
	Projects with Industry Program	\$18,765	\$19,445
	Rehabilitation Services - Demonstration	\$32,269	\$18,368
	Supported Employment - State Grants	\$27,630	\$29,150
	Supported Employment - Discretionary Programs	\$9,876	\$10,023
	Comprehensive Services for Independent Living	\$12,938	\$13,619
	Library Literacy	\$5,365	\$8,163
	Library Service Programs	\$82,505	\$83,898
	Total	\$7,681,052	\$8,139,819

Federal agency	Program name	Funding Level	
		FY 1990	FY 1991
Department of Health and Human Services	Job Opportunities and Basic Skills Program	\$463,038	\$600,000
	Work Incentive Program/WIN Demonstrations	\$20,000	\$0
	Community Service Block Grant	\$80,100	\$86,856
	Community Service Block Grant - Discretionary	\$23,092	\$23,219
	Community Service Block Grant Demonstrations	\$3,495	\$0d/
	Refugee Assistance - Voluntary Agencies	\$54,936	\$39,036
	Refugee Assistance - Social Services	\$75,000	\$82,951
	Runaway and Homeless Youth - Transitional Living	\$9,500	\$8,000
	Independent Living	\$50,000	\$60,000
	Health Careers Opportunity Program	\$27,308	\$19,342
	Total	\$850,521	\$968,199
Department of Housing and Urban Development	Operation Bootstrap/Family Self-Sufficiency Program	na	\$340,343
Department of the Interior	Indian Employment Assistance Programs	\$23,379	\$21,789
Department of Labor	JTPA II-A-Disadvantaged Adults and Youth (SDA 78%)	\$1,360,950	\$1,387,218
	JTPA II-A-Education and Coordinator (Governor's 8%)	\$139,585	\$142,279
	JTPA II-A Older Workers (Governor's 3%)	\$52,344	\$53,355
	JTPA II-A-Incentive Bonus (Governor's 6%)	\$104,688	\$106,709

Federal agency	Program name	Funding Level	
		FY 1990	FY 1991
	JTPA II-B - Disadvantaged Summer Youth (Regular)	\$686,777	\$670,186
	JTPA II-B - Disadvantaged Summer Youth (Native American)	\$13,000	\$12,726
	Dislocated Worker (SDA 50%)	\$185,441	\$210,794
	Dislocated Worker (Governor's 50% Discretionary)	\$185,441	\$210,794
	Dislocated Worker (Secretary's 20% Discretionary)	\$92,721	\$105,397
	JTPA Defense Conversion Adjustment Program	--	\$150,000 <sub>c</sub> /
	JTPA Clear Air Employment Transition Assistance	--	-- <sub>e</sub> /
	JTPA Migrant and Seasonally Employed Farmworkers	\$69,047	\$70,288
	JTPA Research and Development Projects	\$15,712	\$12,927
	JTPA Pilot and Demonstration Projects	\$30,467	\$36,216
	Federal Bonding Program	\$184	\$185
	JTPA Native American Employment & Training	\$58,193	\$59,625
	Senior Community Service Employment Program	\$367,013	\$390,360
	JTPA Job Corps	\$802,614	\$867,497
	Apprenticeship Training	\$15,517	\$16,051
	Trade Adjustment Assistance	\$280,024	\$269,500
	Targeted Jobs Tax Credit	\$24,653	\$19,518
	Employment Service (Wagner Peyser 7a)	\$701,135	\$724,605

Federal agency	Program name	Funding Level	
		FY 1990	FY 1991
	Employment Service (Governor's 10% Discretionary)	\$77,904	\$80,512
	Alien Labor Certification Program	\$32,515	\$33,554
	Interstate Job Bank	\$1,648	\$1,701
	JTPA Veterans Employment Program	\$9,345	\$9,120
	Disabled Veterans Outreach Program	\$74,398	\$77,170
	Local Veterans Employment Representatives	\$68,532	\$71,095
	Homeless Veterans Reintegration Project	\$1,920	\$2,018
	Job Training for the Homeless Demonstration Program	\$9,423	\$10,705
	Total	\$5,461,183	\$5,802,105
Office of Personnel Management	Disadvantaged Youth - Summer Employment Program	na	na
Small Business Administration	Small Business Assistance for Disadvantaged Persons	\$8,700	\$8,700
	Small Business Development Centers	\$49,338	\$30,000
	Women's Business Ownership Assistance	\$2,000	\$3,600
	Veteran's Entrepreneurial Training Assistance	\$268	\$270
	Service Corps of Retired Executive Association	\$1,599	1,581
	Business Development to Small Business	\$18,173	\$18,039
	Minority Business Procurement Assistance	\$26,581	\$27,534
	Total	\$106,659	\$89,724

Federal agency	Program name	Funding Level	
		FY 1990	FY 1991
Department of Transportation	Transportation Human Resources Programs	\$1,135	\$1,493
Department of Veterans Affairs	All-volunteer Force Education Assistance	\$88,207	\$152,81g/
	Survivors and Dependents Educational Assistance	\$46,735	\$46,478
	Vocational Rehabilitation for Disabled Veterans	\$136,780	\$120,919
	Post-Vietnam Era Veteran Education Assistance	\$59,746	\$59,217g/
	Educational Assistance for the Select Reserve	\$41,367	\$46,967g/
	Hostage Relief Act Program	\$4	\$4
	Vocational Training for Certain Veterans on VA Pensions	\$443	\$450
	Veterans Job Training Act	\$29,384	--f/
	Total	\$402,666	\$426,853

## NOTES

a/Where we could readily obtain necessary information, funding levels estimate the level of funding directed at out-of-school youth and non-college adults.

b/Public Works Impact Projects: Funding included in Public Works Projects.

c/New program in FY 1991

d/Demonstration program not funded in FY 1991

e/Clean Air Employment Transition Program: New program, \$50 million funding begins 10/1/91

f/Veterans' Job Training Act: Program expired 3/3/90.

g/Veterans programs: Amount based only on funding for associate non-degree programs.

h/Education grant programs: funding only includes estimated levels for associate and non-degree programs.

i/Education loan programs; funding levels only reflect cost of program, and does not include cost of loans. Estimates are only for loans for associate and non-degree programs.

Legend: na = funding information not available

-- = program not authorized

15 Min. 5 years?

## THE PROPOSED REEMPLOYMENT ACT OF 1994

The Reemployment Act of 1994 is designed to begin the transformation of the current *unemployment* system into a comprehensive, universal, high-quality *reemployment* system. The Reemployment Act of 1994 is based on the sturdy foundation of what we know about **what works**. It embodies these fundamental principles:

- ✓ **Universal access**
- ✓ **Quality reemployment services**
- ✓ **Quality Labor Market Information**
- ✓ **One-stop career centers**
- ✓ **Long-term training**
- ✓ **Accountability**
- ✓ **Streamlining**

### Title I -- Comprehensive Program for Worker Adjustment

Title I establishes a comprehensive reemployment program for **dislocated workers** -- those who have been permanently laid-off or are long-term unemployed -- with a single eligibility standard. It consolidates six current dislocated workers programs funded by the U.S. Department of Labor (DOL). Key features are:

- **Outreach** -- significant investments in participant outreach through rapid response and profiling;
- **Individualized services** -- including the development of individual reemployment plans;
- **Comprehensive reemployment services** -- all eligible dislocated workers can get basic services like job search assistance, with more intensive services available to those who need them;
- **Program integration** -- career centers, competitively selected, will provide assistance to all eligible dislocated workers;
- **Quality training** -- dislocated workers will be able to select education and training providers based on performance-based information;
- **Retraining income support** -- dislocated workers who need long-term training will have access to income support, beyond regular UI benefits;
- **Performance accountability and outcomes** -- the governance structure will ensure accountability to workers, employers, job-seekers and the local community for quality service and outcomes.

## **Title II -- Income Support for Retraining; UI Flexibility Initiatives**

Title II establishes a system of retraining income support for permanently laid-off workers who are in long-term training. This support will be available to eligible dislocated workers who have exhausted all UI benefits and are participating in long-term training under an appropriate reemployment plan; and to workers who would have been eligible under the current Trade Adjustment Assistance Program (TAA).

## **Title III -- One-Stop Career Center System**

Title III enables States to develop and implement State-wide networks of One-Stop Career Centers, by establishing a national program of grants and waivers. State, local and Federal partners would ensure common goals, planning, service coordination and network oversight. One-Stop Career Centers would:

- provide job-seekers, students, workers, the disadvantaged -- as well as employers -- with a common point of access to employment, education and training information and services;
- offer services that are available under DOL-funded programs, and encourage other Federal, State, and local human resources programs to participate; and
- promote a customer-oriented approach.

## **Title IV -- National Labor Market System**

Title IV establishes a National Labor Market Information (LMI) system to provide universal access to timely, up-to-date, easily accessible and comprehensive information about where jobs are; necessary skills and experience; location and quality of training programs, and job search assistance.

## **Budget Overview -- the Reemployment Act of 1994**

**The FY 1995 Budget** calls for total costs of **\$1,465 million** for worker readjustment -- an increase of \$347 million over last year's budget.

When the Reemployment Act reaches **full implementation in the year 2000**, it will be able to provide job search assistance and readjustment services to all dislocated workers who need and want assistance in returning to work -- estimated at 1.3 million people. This represents a total investment of more than **\$13 billion** over the five-year period -- **FY 1995-2000**: \$9.9 billion in discretionary spending; \$2.0 billion in capped mandatory funds; and \$1.25 billion on One-Stop Career Centers.

The United States Department of Education  
The United States Department of Labor

**SCHOOL-TO-WORK OPPORTUNITIES ACT OF 1993**  
**LEGISLATIVE FACT SHEET**

The School-to-Work Opportunities Act, jointly administered by the Departments of Education and Labor, will bring together partnerships of employers, educators and others to build a high quality School-to-Work system that prepares young people for careers in high-skill, high-wage jobs.

**Key Strategies for Building School-To-Work Systems:**

- The legislation allows for flexibility so that programs can address local needs and respond to changes in the local economy and labor market. While the legislation requires core components and goals, it does not dictate a single method for fulfilling those requirements. Multiple sources of support -- federal grants to states, waivers, direct grants to local partnerships, and high poverty area grants -- will allow all states to build School-to-Work systems within the first few years.
- States and localities can build School-to-Work systems upon existing successful programs -- such as youth apprenticeship, tech-prep education, cooperative education, career academies, and school-to-apprenticeship programs.
- The legislation will promote the coordination of state, local and other federal resources. When the School-to-Work funds end, the programs will be supported by other resources.
- The active and continued involvement of local business, education, union, and community leaders is critical to the success of School-to-Work programs.
- The legislation will:
  - ▶ establish required components and goals of every School-to-Work program in the nation;
  - ▶ provide development grants for all states to plan and create comprehensive, statewide School-to-Work systems;
  - ▶ provide five-year, implementation grants to states that have completed the development process and are ready to begin operation of School-to-Work systems;
  - ▶ provide wavers of certain statutory and regulatory program requirements to allow other federal funds to be coordinated with comprehensive School-to-Work programs;
  - ▶ provide direct implementation grants to localities that are ready to implement School-to-Work systems, but are in states that have not yet received implementation grants; and
  - ▶ provide direct grants to high poverty areas to address the unique challenges of implementing School-to-Work systems in impoverished areas.

**Basic Program Components**

- Every School-to-Work program must include:
  - ▶ Work-based learning that provides: a planned program of job training or experiences, paid work experience, workplace mentoring, and instruction in general workplace competencies and in a broad variety of elements of an industry
  - ▶ School-based learning that provides: career exploration and counseling, instruction, in a career major (selected no later than the 11th grade); a program of study that is based on high academic and skill standards as proposed in the Administration's "Goals 2000: Educate America Act," and typically involves, at least one year of postsecondary education; and periodic evaluations to identify students' academic strengths and weaknesses.
  - ▶ Connecting activities that coordinate: involvement of employers, schools and students; matching students and work-based learning opportunities; and training teachers, mentors and counselors.
- Successful completion of a School-to-Work program will lead to a high school diploma, a certificate or diploma from a postsecondary institution, if appropriate; and an occupational skill certificate. The skill certificate will be a portable, industry-recognized credential that certifies competency and mastery of specific occupational skills.

**State and Local Governance**

- The Governor, the chief state school officer, and state agency officials responsible for job training and employment, economic development, postsecondary education, and other appropriate officials will collaborate in the planning and development of the state School-to-Work system.
- Partnerships that consist of employers, secondary and postsecondary educational institutions, labor organizations, and other local community and business leaders are responsible for designing and administering the local School-to-Work programs

**Federal Grants to States and Localities**

- State and local applications for direct federal grants will be submitted to a peer review team composed of federal staff and outside experts in education and training. State applications for implementation grants must include a plan for a comprehensive statewide system which shows how a state will meet the basic program elements and required outcomes. In addition, states must show how the programs will ensure the opportunity to participate is given to economically disadvantaged students, low achieving students, students with disabilities and dropouts.
- Localities will apply for subgrants administered by the states. The state process for distribution of subgrants will be reviewed and approved by the federal government

United States Department of Education  
United States Department of Labor

## WHY SCHOOL-TO-WORK?

School-to-work programs assist students in making the transition from school to a good first job on a high skill, high wage career track. Combining learning at the worksite with learning in school, school-to-work programs establish a partnership between schools and employers and prepare students for either a high quality job requiring technical skills or further education and training.

Promising school-to-work programs integrate work-based learning and school-based learning, academic and occupational learning and they link secondary and post-secondary education. Hands-on learning and the integration of school and work curricula help students see the connection between what they learn today and how well they will do in jobs tomorrow. The strength of school-to-work is the diversity of approaches in meeting local needs. Successful programs often share three basic program elements:

**Work-based learning**, which includes paid work experience, structured training and mentoring at the worksite.

**School-based learning**, based on career majors, which is a program of instruction designed to meet high academic and occupational skill standards.

**Connecting activities**, which assist employers, schools and students connect the worlds of school and work. This is the "glue" that helps the local partners deliver quality programs.

### WHY SCHOOL-TO-WORK?

Seventy-five percent of America's young people do not achieve a college degree. Many of these young people are not equipped with the basic academic and occupational skills needed in an increasingly complex labor market. The low-skill, high-paying manufacturing jobs that once provided decent employment for relatively unskilled Americans no longer exist. Therefore, many high school graduates do not find stable, career-track jobs for five to ten years after graduation.

In today's highly competitive global economy, business performance is determined in large part by the knowledge and skills of workers. The technological pressures make employers reluctant to take a chance on inexperienced high school graduates whose diplomas signal nothing about their skills, knowledge and ability to perform increasingly difficult work.

The lack of a comprehensive and effective school-to-work transition system has also had a significant economic impact on students. In the 1980's, the gap in earnings between high school graduates and college graduates doubled; for those without high school degrees, the gap grew even wider.

Not only has the lack of school-to-work assistance had a negative impact on the earnings potential of our young people, but it also has had tremendous costs to business and our economy as a whole. Because businesses lack more highly-skilled workers, their productivity suffers and, in turn, our economy as a whole suffers.

**Partnerships for School-To-Work**

No single approach to building school-to-work programs is appropriate for all communities. A successful school-to-work system will be built locally, not imposed top-down from Washington, D.C. Local partnerships of employers, schools, labor organizations, parents, students and community leaders together will design and implement the programs which fit their individual circumstances and unique needs.

A successful, national school-to-work system ought to build on the promising approaches being developed in many states and communities including youth apprenticeship, tech prep, career academies and cooperative education. Programs are more likely to succeed if there is ongoing community ownership of the program for bettering young American's career opportunities.

Successful school-to-work programs require the active involvement of business and community leaders, labor and educators. Employers, in partnership with labor, define the skill requirements for jobs, participate equally in the governance of the program, offer quality learning experiences for the students at the worksite, and provide jobs for students and graduates. Businesses share information with schools on the technologies, management processes, business practices and structure of work in today's organization. For school-to-work programs to be successful, all partners must work together to develop curricula that will prepare students to enter and succeed in technologically complex worksites.

# School-to-Work Plan Helps Students Enter New Economic World

Fred Reidel can be counted on not to show up at his high school in York, Pa., at least two days a week. But he isn't a chronic truant.

A participant in the small but growing Pennsylvania Youth Apprenticeship Program, 17-year-old Reidel divides his time between his school classroom and a nearby company where he works two days a week as an apprentice machinist.

Reidel likes this arrangement. With obvious pride, he describes a micrometer — or "mike," as he calls it — that measures down to 30 millionths of an inch. "That's like taking a hair off your head and splitting it 200 hundred times," he says. He is preparing for an industry where workers must feel at home with sophisticated, computerized machines and trigonometry.

Reidel's enthusiasm for the work-study arrangement is shared by the employers who make the program possible. Keith Billet, owner of a tool company where one of Reidel's fellow student apprentices is training, says the program helps employers

## *Work-based learning, when developed through a partnership of educators and employers, benefits employers, teachers, and students.*

by assuring a supply of qualified workers. And, he adds, it improves the job and earning prospects of young people who don't plan to attend college.

About half of the young people leaving America's high schools do not go on to four-year colleges; 75 percent do not earn a four-year college degree. In that respect, Fred Reidel and the other budding Pennsylvania machinists might be considered typical high school students.

But the combination of classroom and workplace training they receive is not typical. High school education in the United States continues to be geared to the college-bound student, not to those whose best route to a full development of their talents doesn't run through a traditional four-year college.

The Competitiveness Policy Council concluded in March 1993 that without a comprehensive school-to-work system "we are producing a substantial cohort of workers with poor basic skills, little understanding of what work demands, and limited grasp of how to find a good job or get good training."

The way our schools prepare young people for the world of work hasn't changed much over the years. But the shortcomings in the system are more apparent today, and more demanding of immediate attention, because of changes in the economic environment, both here at home and in the global marketplace in which we must compete.

During the years following World War II when economies of scale propelled the American economy to international dominance, a relative handful of large corporations created millions of high-paying jobs requiring little education and limited skills.

Robert Reich is Secretary of Labor, and Richard Riley is Secretary of Education.

Students with a high-school diploma could find good jobs in steel mills, automobile factories, rubber plants, and similar places where the mass production of standardized products was the order of the day.

That economy no longer exists, either for American workers or the businesses that hire them. It has been eroded by a variety of factors, among them rapidly advancing technology and sharply increased international competition. Now the rewards of the marketplace go mainly to workers and businesses that are capable of using modern technology to produce quality products that respond to rapidly changing consumer tastes and demands.

As a result of these changes, increasing numbers of young Americans lack the

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## **Guest Observer** *By Robert Reich and Richard Riley*

skills a modern, competitive economy demands and are having to settle for low-paying, dead-end jobs. Unlike their parents, who a generation ago could look forward with reasonable confidence to a rising standard of living, they face the unsettling prospect of declining wages, benefits, and working conditions.

To reverse this trend, every state and community should have a comprehensive system designed to prepare students either for a first job in a higher-skilled, higher-wage career or for further education and training. The Clinton Administration, through the joint effort of the Departments of Labor and Education, has proposed legislation to spur the development of a school-to-work transition system that will give high-school grad-

uates the skills employers are looking for and will contribute to the effectiveness, productivity, and performance of the American economy. Our legislation will provide "venture capital" in the form of limited federal funds to help states and localities develop school-to-work systems that meet their particular needs.

Work-based learning, when developed through a partnership of educators and employers, benefits employers, teachers, and students.

Employers like the machine shop owners in Pennsylvania, for example, can make sure that classes in math and computer science teach students what they need to know to operate the high-tech equipment.

Continued on page 23

School to work file → Thinking program

CF

Carol Tashy --

(NH)

Graduates (diploma) → Res

350,000 → 150,000

Tony Pamb --

OSERS

Transition Meeting

IDEA ⊖

Natural? Bill Hallaro (diploma)

205-8112

Attitude

RFP ⊖ ⊖ ⊖

"Systems change projects"

Not only individual kids, families + schools

"included in high school supported"

Trainers

Stayed in school system

Asy out

18-21

Graduate 12

Nat

Shaping is proceed

• Senior Year ( )

outside of high school

who come: School

Kids + adult service

Natural supports

Trainers / TA

(School to Work)

= all kids ⊕

State awareness