

FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the William J. Clinton
Presidential Library Staff.**

Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Legislative Affairs

Series/Staff Member: Jack Lew

Subseries:

OA/ID Number: 2388

FolderID:

Folder Title:

DOL [Department of Labor]/JPTA [Job Training Partnership Act]

Stack:

S

Row:

25

Section:

7

Shelf:

9

Position:

2



*Fact
F.Y.I
CQ.*

FAX TRANSMITTAL SHEET

TO:

Eli Segal

FROM:

Tom Glynn

DATE:

Tuesday

TIME:

1:00

RECEIVER TELECOPIER #:

456-6420

PAGE NUMBER ONE OF

4

PAGES.

TRANSMITTER TELECOPIER: 202 219-6161

ADDITIONAL COMMENTS: The summer jobs program
is a 10 week program.

IF YOU HAVE QUESTIONS RE THIS FAX CALL:

219-6151

Youth Apprenticeship and Lifelong Learning:

Some Preliminary Notions

Robert B. Reich

U.S. Secretary of Labor

February 22, 1993

Youth apprenticeship, and lifelong learning, are necessary aspects of a 21st century economy premised on the skills and talents of our workforce. The following represent a few preliminary ideas, offered in the spirit of provoking comment and further deliberation. They do not comprise a "blue-print" for the kind of system which I or any member of the Clinton Administration is now developing. In the months ahead, Secretary Riley and I hope to hear from a broad cross-section of the interested public who have ideas for how this new system should be designed.

1. The problem. The wages, benefits, and working conditions of the 75 percent of young Americans who don't graduate from college are declining rapidly. Today's college dropout earns about 20 percent less (inflation adjusted) than 1979's college dropout; today's high-school graduate without any post-secondary education, about 15 percent less; today's high-school dropout, 20 percent less.

2. The reasons. (a) Expanded global trade and investment, while benefitting the nation as a whole, is forcing less-educated and unskilled Americans to compete with millions of people around the world who are eager to work for lower wages; (b) unskilled Americans also are competing with new technologies (robots, automated bank tellers, self-service gas stations, etc.).

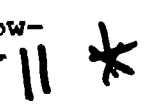
3. The wages and benefits of Americans with college degrees are increasing (although at a slower rate than in the 1960s and 1970s) because (a) global markets enhance the demand for their services and (b) new technologies give them data with which to solve problems and add value.

4. Hence a widening gap between college and non-college (over a dozen years, average college grad wages have grown from 30 percent over average non-college, to 60 percent). We're creating a two-tier society--of high wages for the problem-solvers who work in the glass and steel towers of our major cities, and low wages for the unskilled who work at street level.

5. Other advanced nations are experiencing the same centrifugal forces, but many are preserving and even enlarging their middle classes by creating an in-between tier of worker technicians and para-professionals without college degrees. 

6. The answer here requires changes in both the supply of, and the demand for, this in-between tier.

Supply:

-- The old "high or low path" high school and training tracking system (high school college prep curriculum, college, and advanced degree for some, versus often-stigmatizing high school vocational education for others, who then drift from low-wage job to low-wage job) would be replaced by a single three-year mainstream pre-technical and professional path. 

-- All students would achieve a basic degree of numeracy and literacy by the end of 10th grade.

-- During 11th and 12th grades, the curriculum for all students would emphasize critical thinking, problem-solving, independent learning, and communications skills.

-- This would be combined with a year of professional-technical learning for all students, in one of 15 to 20 broad fields of competence (for example, design engineering, chemical-biological engineering, health technician, service delivery systems, microelectronics, computer maintenance and programming, and so forth).

-- The last two years of high school, as well as this additional year of competence learning, might be combined with internships in the public and/or the private sectors. For example, internships might comprise one quarter in four for students at grades 11 and 12, increasing up to 2 quarters in four during the year of competence learning.

-- Upon successful completion of their course of study and internship, students who wished to do so would then take a national examination in their chosen field of competence. Upon passage, they would receive national certification.

-- Some young people will continue their higher education; others will enter the workforce directly.

Demand:

American business would utilize this in-between technical-professional tier of workers.

-- Business would provide the apprentice internships.

-- Business would help design the competency standards.

-- Business would hire workers on the basis of their certification, and would redesign workplaces to accommodate, and fully utilize the capacities of, these new workers.

7. This would be the first stage of a lifelong learning system, through which American workers could gain retraining. The life-long system might have the following features: (a) Wage-supplements would be based on need; (b) every worker would be entitled to a limited amount of lifelong training credits or vouchers, with which training could be purchased; (c) in determining what sort of training, workers would have access to a computerized national jobs bank, revealing skills in short supply, where the jobs existed, and which training programs had had the best rate of placement for such jobs.

8. Some pieces of this system are already in place around the nation at innovative high schools, leading community colleges and technical institutes, vanguard businesses and communities. The federal role would not create a new bureaucracy, but highlight these successes and promote them around the nation, set national standards of technical and para-professional competence, and knit these successful innovations into a flexible national system.

MEMORANDUM

To: Eli/Robert/Kate
Fr: Martin
Re: JTPA/"3rd Tier"/Consolidation of funds

Sorry for the delay in sending this stuff to you again but a crazy day.

The point with the Job Training Partnership Act (JTPA) is the same as with College Work-Study: we're already spending this money but we ain't spending it well, so let's redirect it. When compared to the dollars we are currently spending on national service it is big money. And by directing the money to service it assists JTPA -- as with Work-study -- fulfill its mandate.

Enclosed is our original bill on both JTPA and Work-study (S.1899), what we were able to have included in the Conference Report, as well as some additional background materials. I am confident that Senator Simon is much more in tune with what Senator Wofford would like to see happen with JTPA-service corps linkages now. And during the 1992 Dire Emergency Supplemental we were able to redirect \$25 of the \$700 million for JTPA summer employment to youth corps with almost no resistance. The White House stripped it in Conference, but Hatch had supported it with Kennedy and had even suggested we could have gotten \$50 for it.

6.5 billion / 100

Started in 1982 by Kennedy and Quayle (that guy hanging out in Indiana now), JTPA has grown into a \$1.5 billion program. It replaced Carter's Comprehensive Employment Training Act (CETA) program. CETA had several major problems that caused its demise (1) there were almost no standards and few quality controls (2) the program revolved and took to heart the needs of the employer and not the participant; it became more of a line item for municipalities/employers than training/development for participants who were sadly, rarely considered (3) participants did make-work of little consequence to themselves or their communities (4) charges of rampant patronage and fraud. I've ordered some background materials for you. As you can tell from much of Senator Wofford's rhetoric stemming from his time as head of the Department of Labor and Industry in Pennsylvania, JTPA could stand a considerable amount of improvement as well. One way to do that is through linkages with service and conservation corps.

Changes in the 1992 Job Training Partnership Act Reauthorization make youth service and conservation corps an increasingly attractive option. In addition to the language making explicit linkages with the National and Community Service Act and authorizing youth service and conservation corps as an eligible and "recommended" program design, the 1992 JTPA Reauthorization:

► Requires "that not less than 50% of the participants" in a service delivery area's (SDA) program be out of school youth. *Most SDAs will have to search for new programs to respond to this. And JTPA has historically struggled in dealing with this population as OIG and the Manpower Research Corporation and other studies have shown, and been criticized for same. JTPA is often accused of "skimming" participants, working with those that may not need it the most.*

► Encourages more intensive, longer, "more comprehensive education and training and employment services to the eligible population, which also requires increased funding in order to maintain, current service levels." *Corps are comprehensive combining education, teamwork, leadership development, challenging and rigorous work of community benefit, physical fitness...*

Under Senator Wofford's leadership, PennSERVE last year funded 3,900 summer youth corps participants with JTPA funds and this is just a hint as to the programs potential. See enclosed statement and materials on PA. If you want additional, general JTPA information I'd be happy to put together some quick discussion points. Just let me know.

I would suggest that we immediately create a mandate/setaside of JTPA for year-round service and conservation corps -- start at 15-20% and build up gradually with a goal of 50% of JTPA youth funds. To give you an idea of scale, with JTPA money we could fund both current subtitles C and D of the Commission 3 times over without blinking an eye. We're talking major money going to a large number of make-work jobs. Having administered the program, Senator Wofford feels half of JTPA dollars are poorly used. And/or we could use JTPA monies to expand the work of summer service and conservation corps that after testing in given locations could go year-round. (Many of the corps/national service programs including City Year and the PA Corps started as summer ones and then expanded into year-round models) The President's budget, I believe, could also suggest a decrease in JTPA funds and recommend a parallel increase in funding for the Trust Fund or the Commission's budget although this might meet opposition and a setaside is easier politically.

Funds from "existing resource setaside programs" like HUD's YouthBuild, JTPA and work-study should be used to build up the service infrastructure. We should ensure maximum flexibility, a reasonable balance between accessibility of funding and accountability for funding, and that the funds are used to fulfill Departmental objectives and mandates through service. JTPA and HUD funding should be able to help underwrite the startup or expansion, administrative or living expenses of corps and national service models without burying the local corps in paperwork. Ideally, if you wanted to start a corps in a housing project -- a resource poor area -- HUD monies and JTPA dollars should be leveraged in effect being "supplementary seed capital" applied to through departments and local PICs. There should be no reason why JTPA or HUD money couldn't be used to underwrite living stipends for corps participants with post-service benefits coming from the Trust. Obvious close coordination through some sort of interagency council would be essential so as not to duplicate funding under subtitle c and d of the Commission.

Work-study should be leveraged with the work of the higher ed innovation grants and it represents a means of Clinton promoting part-time service, reciprocal responsibility and returning the program from a sort of welfare for colleges to its original intent.

(2)

Robert, as for our earlier conversation on the interagency task force and the specialized skills my basic points are: (1) **make sure all existing and promised service-contingent programs like Police/Teacher/Health Corps...all are part of the Trust** -- this centralizes administration/collection functions, reduces expense, increases efficiency and economies of scale, and allows everyone to be a part of one collective whole, Clinton's idea; I also suppose there is no reason why grad loans shouldn't have an income-contingent payback option as well; (2) *the 1991 National Institute for Literacy/Interagency Literacy Group offers tremendous instruction if we choose to craft an interagency coordinating council for national and community service as part of or distinct from AMERICORPS/The Trust* (3) and while it's much easier for the other two tiers, let's also **try to foster competition and collaboration in Tier 3** especially among the Departments/Agencies as well as States.

Perhaps after receiving all the requests from governors/states for these specialized positions a certain minimum number of slots are given to each state based on the monies available in the Trust and the number of health, teacher, or police shortages or shortage areas they have. States/locals would then compete for the remainder of slots based on need, participant interest, and perhaps their willingness to come up with additional monies. Another option would be to divvy up all the specialized slots based on state's needs/interests and the monies available in the Trust for this Tier. Then if a governor/state wants more, then that is between them and the sponsoring Department (ie...HHS) to work out. Maybe the State (or even locals) come up with additional funds. Maybe the Department transfers from its budget additional funds into the Trust. Maybe both.

And if we attempt to standardize the benefit, payback and experiences of Tier 3 programs, the hope is cost, national and community needs, department/agency goals, and program effectiveness will in the long-run determine how much we spend on Police vs. Health vs. Teacher Corps...And in the case of the Federal Teacher and the Health Corps they will face further competition from "grassroots" programs like Teach for America or the OK model.

Maybe it's naive, but in the ideal I'd like the different departments to be sitting around the interagency table bragging about how low their retention rates are versus someone else's, what effect their doctors were having, the satisfaction and increased reading scores of pupils taught by their teachers, how much the health corps saves taxpayers for every dollar invested versus how much the teacher corps does, a new training innovation by the police corps or success at winning additional union or local support...collaborating, sharing what works and what doesn't. It would also be cool to see the effects of highly concentrated efforts of these corps individually or mixed on a given community in need.

But I also imagine the interagency table being a place where intense arguing takes place over why a given state or the nation needs more Trust Fund dollars for Teachers instead of Police (tier 3 vs tier 3). Why we need more National Guardsmen than CCCers than Health Corpsmembers (tier 1, tier 1/2, versus tier 3). Why the Teacher Corps model is more cost-effective than Teach for America (grassroots versus federal, tier 3 versus tier 1) especially in urban-settings and for avoiding union troubles. Why Health needs more slots for urban emergency rooms, dealing with the a.i.d.s crisis, and well-baby clinics even though the slots cost a lot more than slots for Teachers working in Head Start as it tries to go national.

And most importantly, I imagine more and more of the activities necessary to operate these federally-sponsored programs being streamlined into AMERICORPS resulting in a more efficient, centralized system of delivery (one stop shopping where AMERICORPS is the hub) for both the departments, the states and even the participants. That is consolidating all of the programs into the Trust does in the first place. Such activities include recruiting (like Peace Corps/VISTA), group health care benefits, promotion, housing, some aspects of training, support efforts/service reflection, loan administration and collection, office space for lead state agency, administration of living stipends if paid in full or in part by federal government, certification/regs, oversight, studies and evaluation...

In addition to reducing unnecessary administrative duplication, such an idea would hopefully allow Departments and Agencies to still claim ownership of these program even as their role becomes more and more one of consultation, identifying shortage areas, developing specialized training, working with colleges and communities on the ROTC aspects, evaluating States requests and needs. Quite simply we are allowing the Departments/Agencies to do what they do and know best.

Finally on this point, what we don't want to happen is someone going into the police corps instead of the teacher corps solely because the Fed government paid for four years of school instead of three. Or to have a state or potential service participant have to deal with 5 different lead agencies and their corresponding federal entities. I also firmly believe that because of the increased federal outlay for Tier 3 programs we should be able to justify making all of them ROTC-like to some extent. **By making them all ROTC-like they will impact higher education curriculums and this is perhaps the only way to justify giving such benefits to participants. ROTC-style professional programs also helps us handle the problem of a teacher working side-by-side with another teacher in a shortage area with one receiving benefits and the other not.** If in addition to normal requirements, the teacher corpsmember has to go through extensive training, give up a summer or two, take special courses, become familiar with the latest in service-learning, and serve during the school year then the benefits/loan forgiveness they receive is more justifiable.

(3)

As for moving the dollars from HHS and existing service programs to the Trust, I again think that can happen via a transfer from the Department/Agency to the Trust or the President can "suggest" it through his budget requests. This builds up money for the Trust to the maximum extent possible from *existing* resources not new ones...

The "buying in" idea needs to be worked on but basically I was trying to suggest that an agency with an idea for a *new* corps could start one by transferring funds to the Trust from its other resources or requesting additional appropriations for such a program (ie...cancelling a less worthy program).

Existing corps like Health would have whatever portion of funds it was spending on loans/scholarships moved to the Trust in year one. This would allow them to keep, at minimum, the number of slots they currently have and be part of the Trust. Then if HHS chooses at some point to increase the amount of slots it can ask for increased slots from the Trust or request increased appropriations for this purpose in its own budget; it can cancel other less worthy programs, transfer the funds to the Trust and thus add to its "base" of slots in the Trust; or it can try and raise money from states/locals on a matching basis for additional slots. This buying in idea can be extended to the CCC and National Guard as well.

And by way of example, the funds for the new CCC are coming from DOD transferred to the Commission by a "memorandum of agreement."

Hope these rambling thoughts help. Take it easy.

MEMORANDUM

To: Eli, Jack, Susan, Robert
Fr: Kate
Date: Feb. 12
Re: JTPA - Existing funding sources

I. Summary

Based on our discussion this morning, I thought it would be helpful for you to know that approx. \$1.3 billion are already available through the Joint Partnership Training Act that can be used (and are already being used) to fund youth corps. This is relevant to our project in two ways:

* There is already an existing pot of money (roughly 3x the size of the funding available under the current Commission subtitles C and D combined) that can be used to fund corps programs, regardless of whether the President chooses to emphasize this component of the program.

* This pot of money is not available for post-college programs. Under all titles of the act except for section IIa which deals with **adult** and youth year-round education, eligibility for JTPA funds is limited to people under 21 yrs of age. Moreover, under each Title of the act it clearly states that only people who are economically disadvantaged (i.e. receiving public assistance, living at or below the poverty level, etc.) are eligible for funds.

II. What the Act Allows:

There is nothing in the original act which explicitly mentions funding youth corps. But there is nothing which prohibits funding them either. Under Wofford's guidance, PennServe pioneered the use of JTPA funds for youth corps in that state by matching the basic components of the corps programs with the criteria outlined under titles IIa (year-round adult and youth employment training) and IIb (summer youth employment training).

Since community-based PIC's (Private Industry Councils made up of local business, labor, education, etc. leaders) determine how JTPA money is used, there are currently a wide variety of programs for young people funded by JTPA nationally. In Pennsylvania, however, 90% of the summer corp program is funded by JTPA. Many others have followed their lead. NASC (National Association of Service and Conservation Corps) estimates that 67% of the budgets of state and local summer corps nationally are funded by JTPA, while 10% of all corps budgets (including year-round) are provided for through JTPA.

III. New Incentives to Use Corps Models

The Amendments added to the bill during its reauthorization last year will give PIC's even greater incentives to redirect JTPA funds toward youth corp programs when they go into effect on July 1, 1993.

- * The bill now explicitly mentions youth corp programs as recommended models.

- * It requires in Title IIa that "not less than 50% of the participants" in a SDA's (Service Delivery Area) program be out of school youth. Since the overwhelming majority of money under this title is currently being used to fund programs for in-school youth (drop-out prevention, etc.), PIC's will have to look for new program models.

Moreover, most predict that PICs will look for a "new vision" for JTPA funding in response to a growing wave of criticism. A recent report titled "Dilemmas in Youth Employment Programs" commissioned by the Dept. of Labor found that there has been little or no increase in the incomes overtime of JTPA recipients. While there is a huge job training constituency out there protecting the legislation, they are under great pressure to renew and reorient their efforts. Most agree the corps programs represent the "new wave" in job training .

IV. The Future: Mandating Corps Funding?

Theoretically, all \$2.2 billion of JTPA money could be used to fund corp programs. Realistically, given PIC funding flexibility and the few Titles directed primarily toward adult programs, most agree that just over half of JTPA funds will ultimately be used to fund corps.

Marty Rogers in Wafford's office strongly suggests that we create a mandate/setaside within JTPA for youth corps. If the President decides to shift the focus of our program back to pre-college youth, we might consider this. I would caution, however, that such a strong-handed measure might cause unnecessarily upset in the job training community. For the reasons I explained earlier, PICs will probably direct their focus toward youth corps in the near future regardless of what we do. If this truly is the case, we do not need to "ruffle their feathers" with a mandate.

Needless to say, the extent to which we involve ourselves with JTPA will depend largely on the President's ultimate vision for the National Service program . In other words, before taking action we must decide which population of young people will primarily be involved... and to what end?