

WORKING
Group

To: Mary Jo Bane
David Ellwood
Bruce Reed

From: Jeremy Ben-Ami

Subject: New Working Group Members

Date: October 1, 1993

Based on our discussions this week, attached is an updated list of Working Group members which includes the following additions:

Michael Alexander
Andrew Cuomo
Chris Edley
Augusta Kappner
Avis Lavelle
Marsha Martin
Mike Smith

The list no longer includes:

Ray Cortines
Larry Parks
Julie Samuels

During the week of October 4, Avis and Melissa will put out a press release on this, and Mary Bourdette will devise a strategy for notifying appropriate members of the Hill. If you have any strong objections to this, please let them know by c.o.b. Monday.

Note: For good measure, I am also including the entire up to date version of the public packet for everyone's use.

Thanks.

cc: Wendell Primus
Kathi Way
Avis Lavelle
Melissa Skolfield
Patricia Murdock
Patricia Sosa
Naomi Goldstein
Ann McCormick

Working Group on Welfare Reform, Family Support and Independence

Chairs

Bruce Reed	<i>Deputy Assistant to the President for Domestic Policy</i>
David Ellwood	<i>Assistant Secretary for Planning and Evaluation, Department of Health and Human Services</i>
Mary Jo Bane	<i>Assistant Secretary for the Administration for Children and Families, Department of Health and Human Services (nominee)</i>

Members

Ken Apfel	<i>Assistant Secretary for Management and Budget, Health and Human Services</i>
Michael Alexander	<i>Executive Assistant to the Secretary, Department of Agriculture</i>
Walter Broadnax	<i>Deputy Secretary, Department of Health and Human Services</i>
Robert Carver	<i>Deputy Assistant Secretary for Returns Processing, Treasury Department</i>
Andrew Cuomo	<i>Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development</i>
Chris Edley	<i>Associate Director, Office of Management and Budget</i>
Joycelyn Elders	<i>Surgeon General</i>
Maurice Foley	<i>Office of Tax Policy, Treasury Department</i>
Thomas Glynn	<i>Deputy Secretary, Department of Labor</i>
Ellen Haas	<i>Assistant Secretary for Food and Consumer Services, Department of Agriculture</i>
Elaine Kamarck	<i>Office of the Vice President</i>
Augusta Kappner	<i>Assistant Secretary for Vocational and Adult Education, Department of Education</i>
Madeleine Kunin	<i>Deputy Secretary, Department of Education</i>
Avis Lavelle	<i>Assistant Secretary for Public Affairs, Department of Health and Human Services</i>
Marsha Martin	<i>Executive Director, Interagency Council on the Homeless</i>
Alicia Munnell	<i>Assistant Secretary for Economic Policy, Treasury Department</i>
Wendell Primus	<i>Deputy Assistant Secretary for Human Services Policy, Department of Health and Human Services</i>
Doug Ross	<i>Assistant Secretary, Employment and Training Administration, Department of Labor</i>
Isabel Sawhill	<i>Associate Director for Human Resources, Office of Management and Budget</i>
Eli Segal	<i>Assistant to the President for National Service</i>
Marshall Smith	<i>Undersecretary, Department of Education</i>
Eugene Sperling	<i>Deputy Assistant to the President for Economic Policy</i>
Michael Stegman	<i>Assistant Secretary for Policy Development and Research, Department of Housing and Urban Development</i>
Joseph Stiglitz	<i>Council of Economic Advisors</i>
Fernando Torres-Gil	<i>Assistant Secretary for Aging, Department of Health and Human Services</i>
Jeff Watson	<i>Deputy Assistant to the President for Intergovernmental Affairs</i>
Kathi Way	<i>Special Assistant to the President for Domestic Policy</i>

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Charge to the Working Group on Welfare Reform, Family Support and Independence

"It's time to honor and reward people who work hard and play by the rules. That means ending welfare as we know it -- not by punishing the poor or preaching to them, but by empowering Americans to take care of their children and improve their lives. No one who works full-time and has children at home should be poor anymore. No one who can work should be able to stay on welfare forever."

*-- President Bill Clinton
Putting People First*

President Clinton has charged the Working Group to develop a proposal to "end welfare as we know it." The Working Group is guided by four principles underlying the President's vision for reform:

Make Work Pay -- People who work should not be poor. They should get the support they need to ensure that they can work and adequately support their families. The economic support system must provide incentives that encourage families to work and not stay on welfare.

Dramatically Improve Child Support Enforcement -- Both parents have a responsibility to support their children. One parent should not have to do the work of two. Only one-third of single parents currently receive any court-ordered child support. The system for identifying fathers and ensuring that their children receive the support they deserve must be strengthened.

Provide Education, Training, and Other Services to Help People Get Off and Stay Off Welfare -- People should have access to the basic education and training they need to get and hold onto a job. Existing programs encouraged by the Family Support Act of 1988 need to be expanded, improved and better coordinated.

Two Year Time Limit -- With the first three steps in place, cash assistance can be made truly transitional. Those who are healthy and able to work will be expected to move off welfare within two years, and those who cannot find jobs should be provided with work and expected to support their families.

Based on these core principles, the Working Group will be developing a detailed proposal that will not simply change the welfare system but will ultimately provide a genuine alternative to it.

Welfare Reform: Next Steps

The Welfare Reform Working Group is charged with presenting a detailed proposal to create a transitional assistance system in line with the broad principles outlined by the President. To tackle this complex task, the Working Group is assigning staff to develop background information and policy options in the following areas:

Making Work Pay -- to explore ways of improving the economic incentives to work and the distribution of financial and other supports for the working poor, such as the Earned Income Tax Credit

Child Support -- to address issues ranging from paternity establishment and support enforcement to the possibility of a child support insurance/assurance program

Absent Parents -- to examine current government policies as they relate to absent parents so that they can better meet their parental responsibilities

Transitional Support -- to review strategies for providing assistance on a temporary basis along with the education, training, and other supports needed to get off welfare and into jobs

Post Transitional Work -- to examine the issues related to employing those reaching the end of their time-limited assistance

Child Care -- to explore how best to meet the need for child care in a system of transitional assistance and mandatory work

Program Simplification -- to look at the rules and regulations of benefit programs for low income families to find ways to make them more uniform and simple

Private Sector Job Creation -- to focus on including in a transitional assistance system the incentives necessary to create jobs for welfare recipients in the private sector

Prevention/Family Stability -- to ensure that efforts to prevent out-of-wedlock births and family break-up are given priority in the reform plan

While federal employees will be staffing the Working Group, they will be seeking input and proposals from individuals and organizations outside the government. Those who are interested in providing input, ideas and suggestions are invited to write to the Working Group at the address provided on the following page. Specific proposals as well as general comments are welcome.

Public Input in Welfare Reform

The Working Group has made public involvement and input a top priority as it develops its proposal for the President. To achieve this, the Working Group will be taking a number of very specific steps to involve the public in its work:

Hearings/Public Events -- The Working Group is holding a series of hearings and events across the country during the summer and fall designed to provide the public with an opportunity to present the Working Group with their ideas and opinions. These events will also allow the Working Group to begin to get public reaction to some of the ideas it is developing. Forums were held in Chicago on August 11th, Washington, D.C. on August 19th, and Cranford, N.J. on September 9th. Forums are scheduled for Sacramento, CA. on October 8th, and Tennessee in early November.

Working Papers -- The Working Group will be publishing a series of working papers this fall to provide information and spark public discussion of the issues underlying the welfare reform effort. These papers will be widely circulated. To receive copies, please write to the Working Group at the address listed below.

Meetings/Briefings -- Working Group staff are holding briefings and meetings with groups of organizations interested in welfare reform. A special office of Public Liaison has been set up by the Working Group to reach out to organizations concerned with welfare issues to ensure that information is widely disseminated and that a broad range of opinions are being solicited to inform the efforts of the Working Group. The office can be reached by writing to the address below.

Intake Center -- The Working Group has established an intake center for all mail and information requests. The Center will ensure that proposals, suggestions, and ideas are forwarded to the appropriate staff and that requests for meetings and speakers are handled in a timely manner. To contact the Working Group, please write to:

Welfare Reform Working Group
Administration for Children and Families
370 L'Enfant Promenade SW 6th floor
Washington, D.C. 20447

(9/23/93)

9/28/93

COST ISSUES - not raising revenue,new costs will be covered by cutting existing programs
and squeezing the current systemJOB CREATION/EMPLOYMENT ARENA - People believe

NAFTA, healthcare will cost the country jobs;

don't believe jobs are there for welfare recipients.

PHASE-IN - WE THINK WE WILL PHASE-IN BY GROUPS, COHORTS, etc.

notion of phase-in as a responsible policy will be supported

by MOST. STRESS FAIRNESS IN PHASE-IN.

STATE FLEXIBILITY - A part of the welfare reform planONE SIZE FITS ALL - Not necessarily going to treat everyone
in a like manner. 2-yr limit may mean different
things for different people.Issue Papers:

1) Document that will become a public document

2) Optims paper

Role for Working Group

FOCUS GROUPS for members

DOWNEY DINNERS

DEVELOP MODELS/ STATE WAIVERS, want is currently
underway.

WORKPLAN: SCHEDULE FOR WORKING GROUP, MTGS. WITH PRESIDENT

NEW WORKING GROUP MEMBERS: They need a background briefing

Education's Role in Reducing Welfare Dependency

**Presentation to
the Welfare Reform Working Group**

August 25, 1993

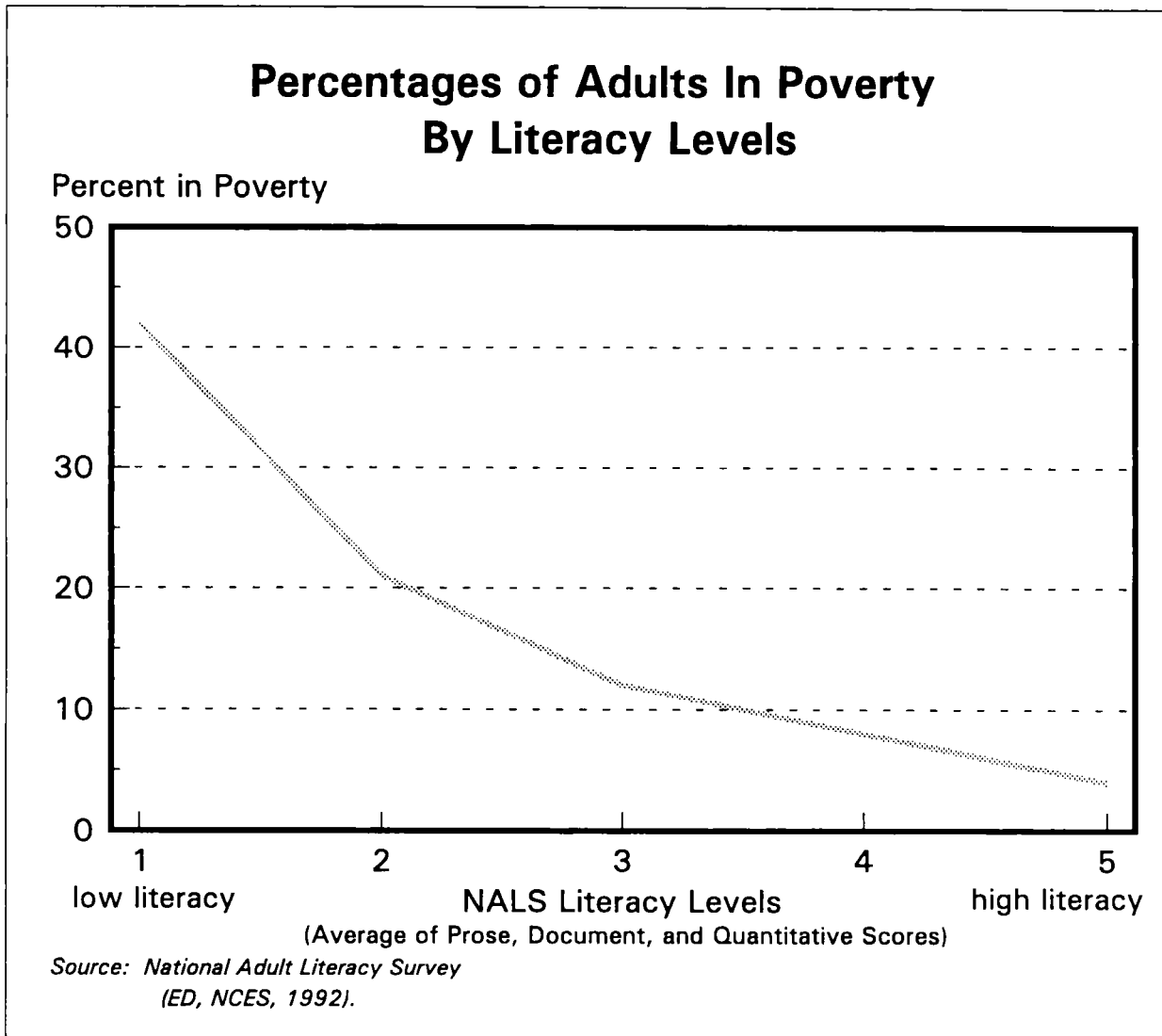


U.S. Department of Education

The Challenge

- For the general population, education is one of the most powerful ways to increase earnings.
- But for very low-income populations, there are unique challenges in getting education to make a difference. We need to create effective education opportunities that encourage the welfare population to participate.
- Education Department programs, in conjunction with other human investment services, can form the core of an integrated strategy that moves people from welfare to work.

Education is one of the most powerful ways to increase earnings



- Adults in the lowest literacy level are 10 times more likely to be in poverty than those in the highest level.

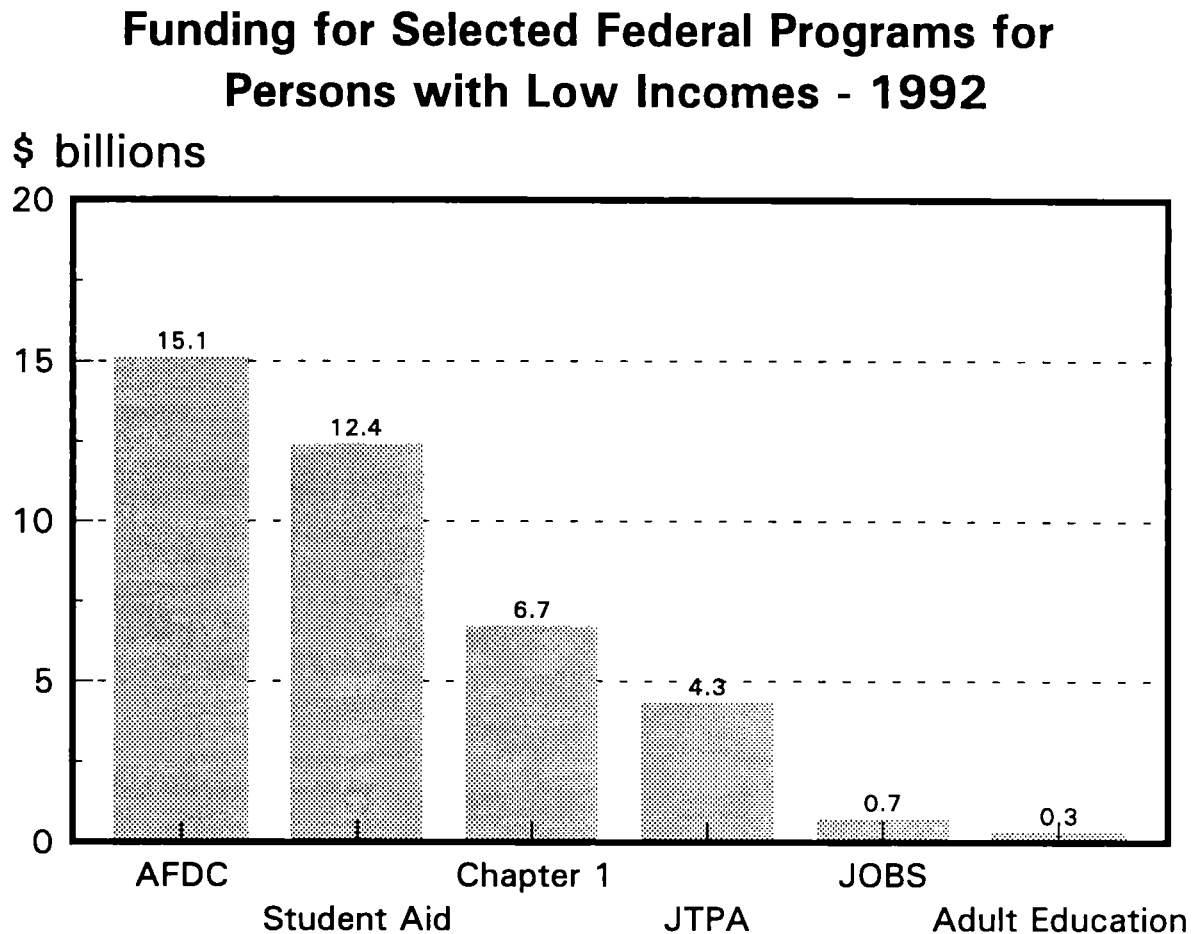
Poverty has a Profound Effect on Learning

does
child care
"count" as
preschool?

- Only one in five children from low-income families is enrolled in preschool, compared to more than half of those from high-income families.
- Children from low-income families are more likely to be older in their grade, progress more slowly through the education system, and are more likely to drop out than their high income peers.
- In 1990, the average reading proficiency of 13-year-old students whose parents completed some college was very similar to the average reading proficiency of 17-year-old students whose parents never graduated from high school.

Source: Condition of Education, 1993

The Education Department can play a significant role in moving people from welfare to work



- Department of Education programs comprise a significant share of Federal assistance to the economically disadvantaged.
- ED programs are designed to serve the disadvantaged but not necessarily the welfare population.
 - Just under 1 in 5 Chapter 1 students receive AFDC.
 - Only about 10% of Pell grant recipients and 5% of Stafford loan recipients get AFDC.

Three sections to this presentation

- 1) Preventing welfare for children and youth
- 2) Reducing welfare dependency of adults
- 3) Dual strategy that does both

Children and Youth:

Preventing Welfare Dependency

Current Programs

Chapter One of the Elementary and Secondary Education Act

Provides the primary federal funding for educationally disadvantaged elementary and secondary school students in areas with a high concentration of poverty

- Serves 5.5 million children in 52,000 schools at a cost to the federal government of \$6.3 billion
- Serves roughly one million AFDC recipients – about one in seven children on AFDC – *one in four or one in 5 AFDC students*

Vocational Education

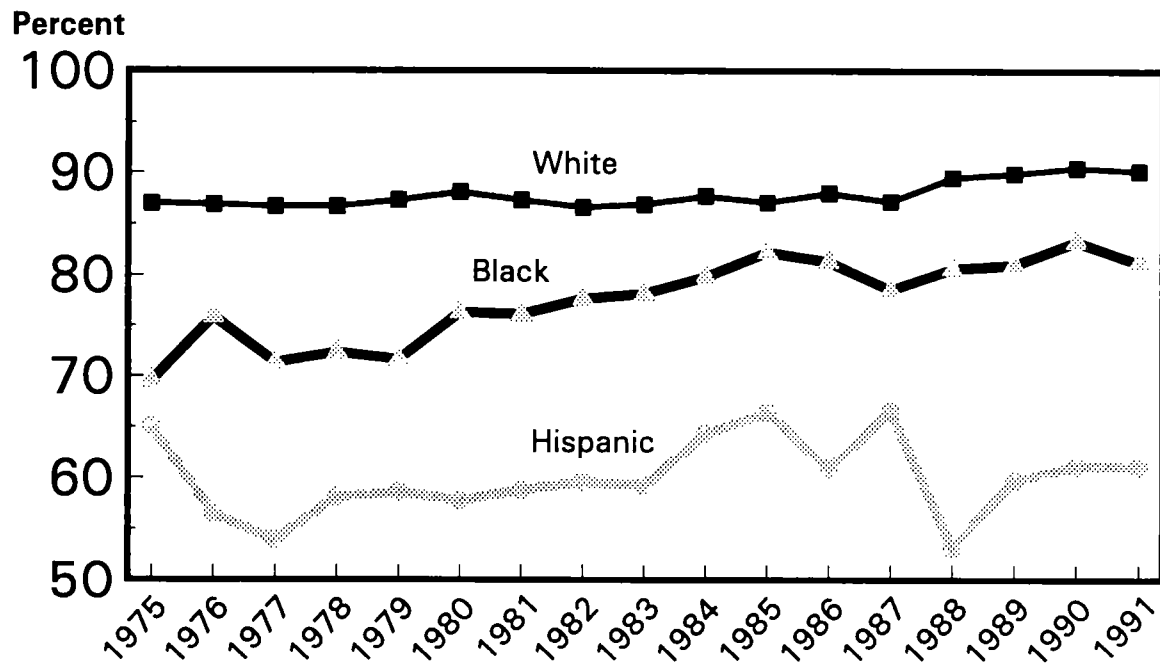
- Provides \$1.1 billion for vocational education targeting the low-income population, part of which goes to postsecondary institutions

Directions for Preventing Welfare Dependency for Children and Youth

- Ensure **high standards** for all children as proposed in Goals 2000 legislation
- Improve **targeting** toward the highest poverty schools to reach the children and youth most in need
- Expand **before, after and summer school** learning opportunities for educationally disadvantaged children
- Increase **high school completion** through an integrated federal approach

High Standards

**High School Completion Rates for 21-
and 22-year-olds, by race-ethnicity:
1975-1991**

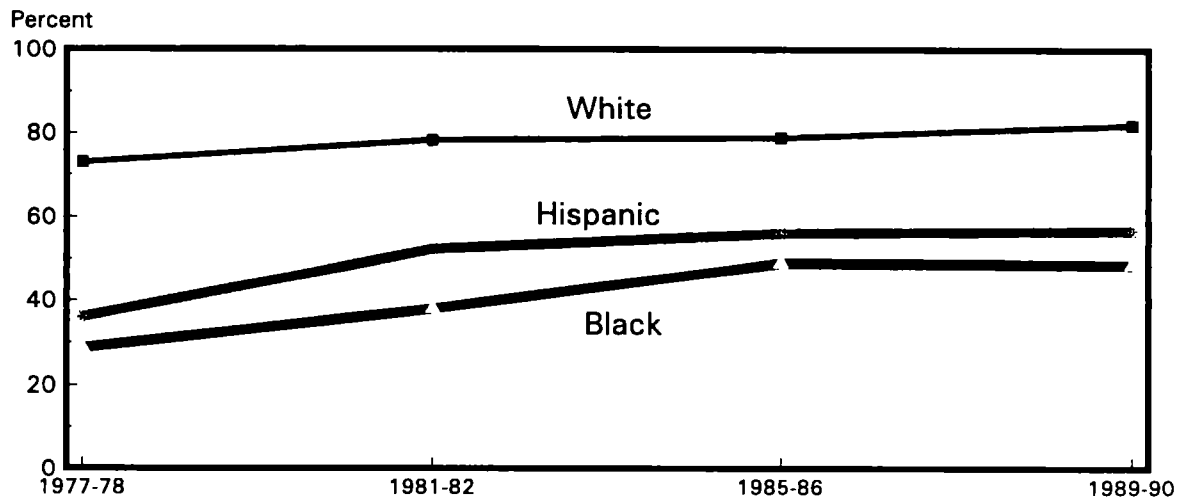


Source: *Dropout Rates in the United States, 1991 (ED/NCES), Table A-43.*

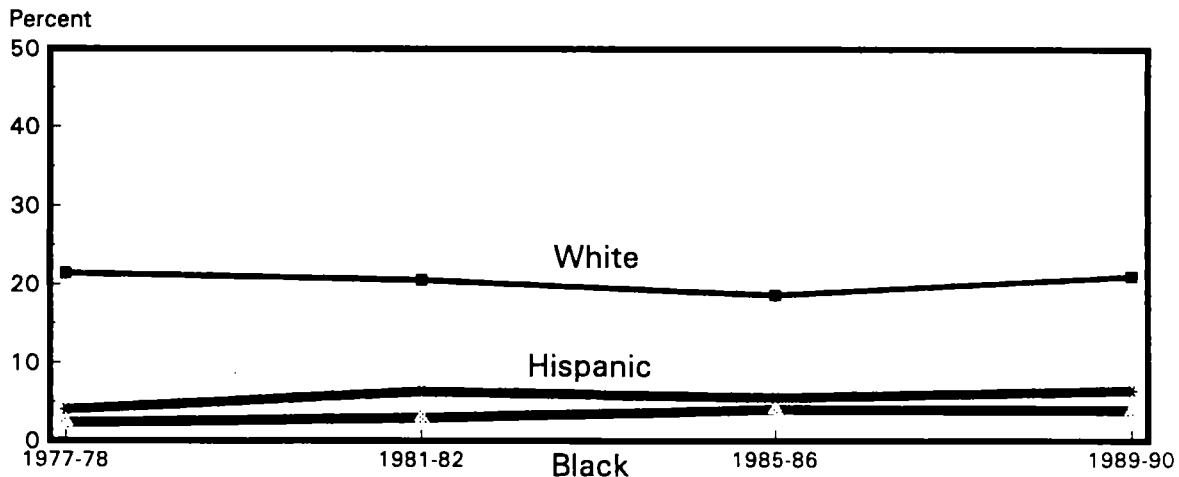
- High school completion rates have increased over the past two decades, especially for African Americans.

High Standards

Percentage of 13-year-old Students That Have Mastered Basic Operations (Math)



Percentage of 13-year-olds That Have Mastered Moderately Complex Procedures (Math)



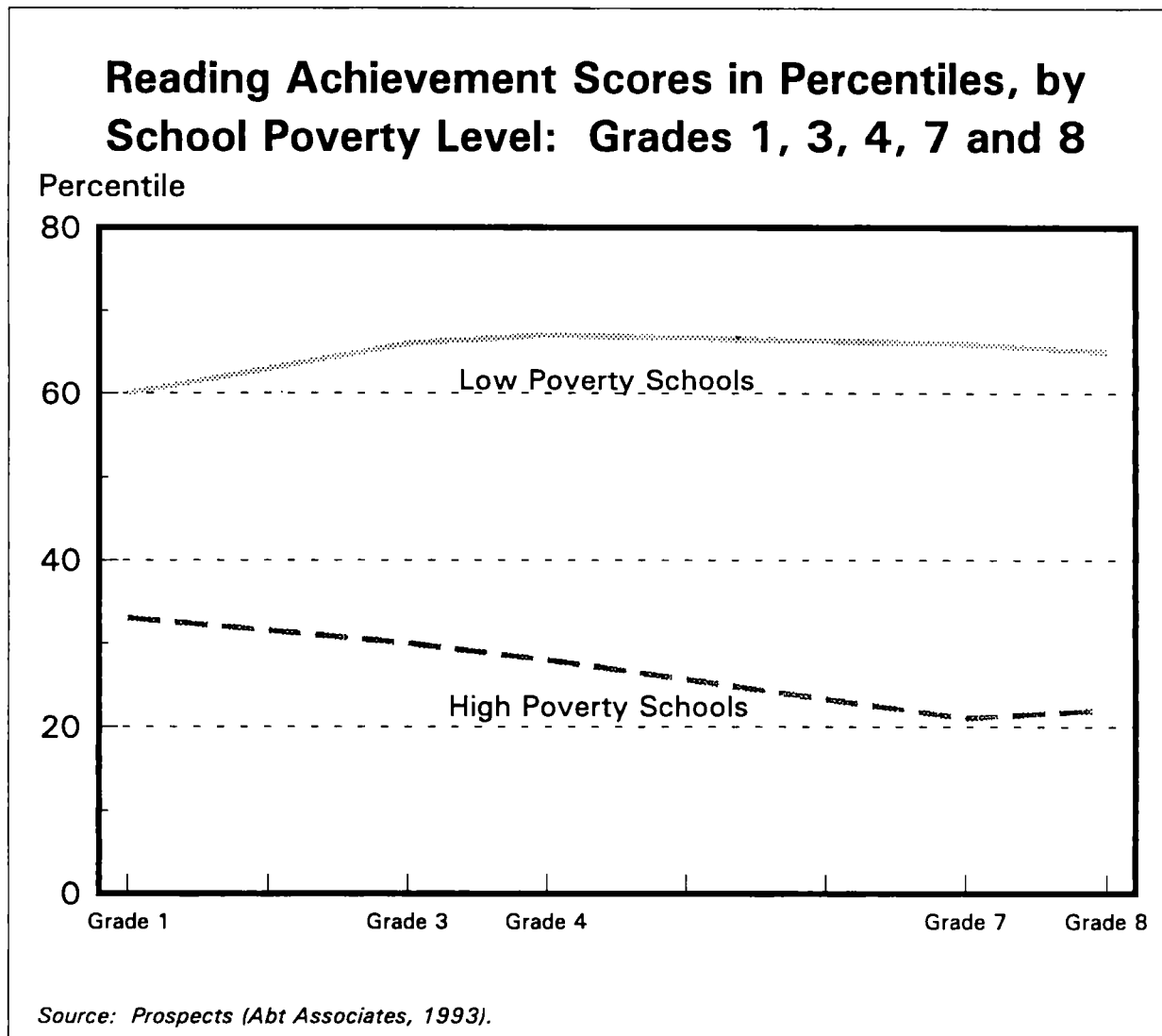
Source: *Digest of Education Statistics, 1992*
(ED/NCES), Table 113.

- Basic skills have increased but higher order thinking skills are necessary to succeed in today's work force.

High Standards

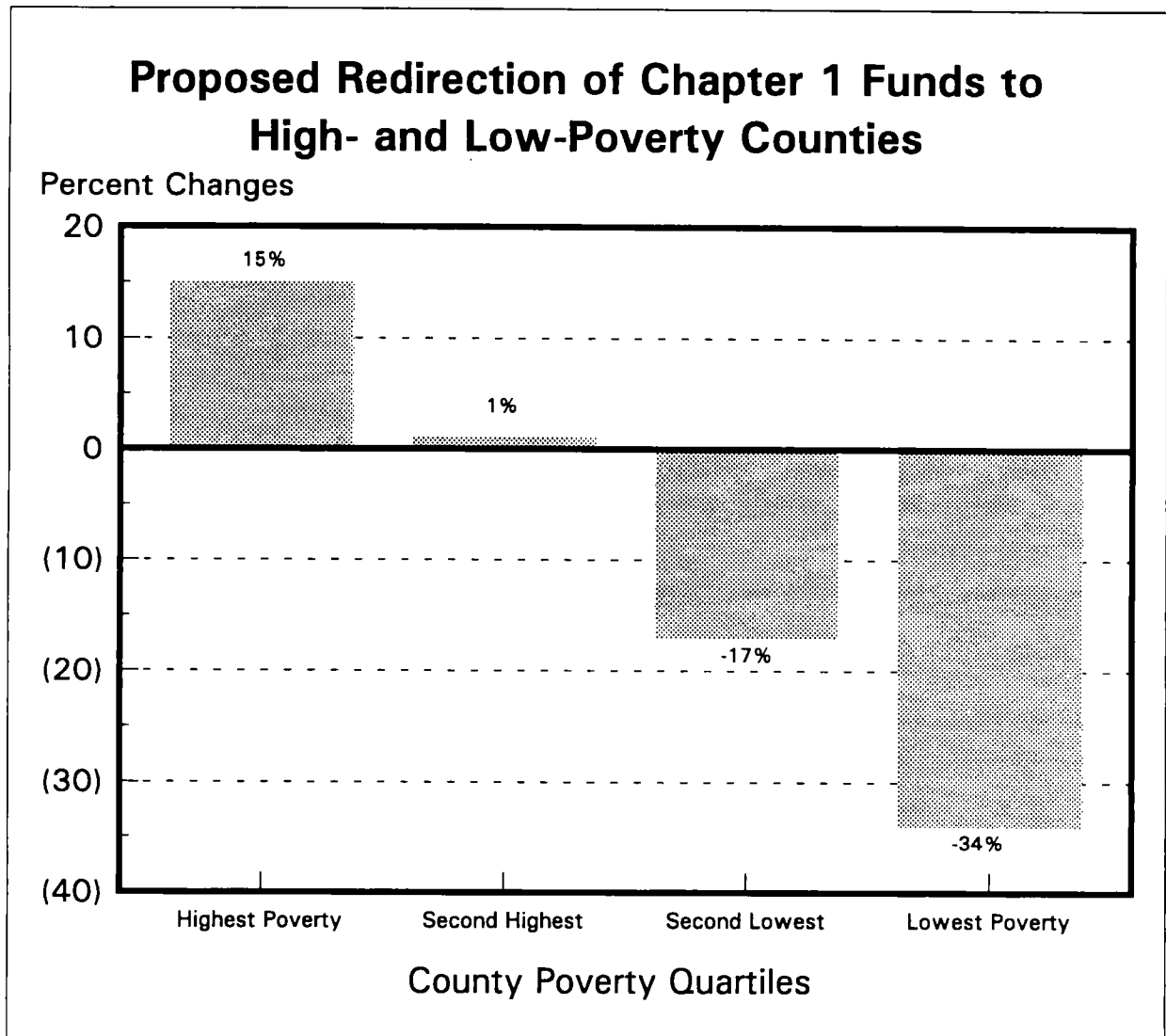
Chapter One will now require that schools demonstrate progress toward achieving high standards for all students

Need for Targeting



- The gap in reading achievement between high-poverty and low-poverty schools is wide--and it widens as students move through the grades.

The Effect of Better Targeting



- The proposed improvements in targeting would result in the highest-poverty counties receiving a 15 percent increase in Chapter 1 funding, while the lowest-poverty counties would lose 34 percent of their Chapter 1 funds.

Extended Time

After School and Summer Programs

- Currently, only 9% of Chapter 1 schools have extended time programs.
- Chapter 1 schools will be required to consider extended time options.

Recommendation:

- Count Chapter 1 funds used for extended time as part of the state match for HHS funded child care programs

Strengthening Motivation to Stay in School

- While academic factors play a part in students' decisions to drop out and return to school, non-academic factors, including teen pregnancy, are as important.

- *Reasons for dropping out include:*

All 10th to 12th grade students

"Did not like" school	43%
Failing school	39%

Female 10th to 12th grade students

Pregnant	27%
Became a parent	21%

- *Reasons for returning to school include:*

All 10th to 12th grade students

If they could get a better job after graduation	63%
If they felt they could graduate	62%

Female 10th to 12th grade students

If child care were available at school	28%
If they had a babysitter at home	22%

Strengthening Motivation to Stay in School

In addition to a meaningful academic program, research suggests that intervention strategies include:

- Counseling, mentoring and career and college awareness (Chapter One, School-to-Work, Safe and Drug Free Schools)
- Other support services such as day care, transportation, and flexible schedules (Chapter One)
- Occupational and academic learning integrated with work place experience (School-to-Work, Vocational Education)
- Decision-making skills that reduce teen pregnancy (Safe and Drug Free Schools)
- Financial incentives to welfare recipients to reward school attendance and performance (no ED programs, but includes I Have a Dream, LEAP)

Adults:

Reducing Welfare Dependency

Current Programs:
Student Financial Aid is a major source of funding
for education and training programs

Pell grants

• Total grants	\$4.9 billion
• Max. award per person	\$2,300
• # grants	3.4 million
• # recipients on AFDC	350,000
• Approx. # recipients with income under \$10,000	1.9 million

Stafford Loans

• Total loans	\$10.5 billion
• # of loans	3.3 million
• # recipients on AFDC	170,000
• Approx. # of undergraduate recipients with income under \$10,000	1.3 million

sources: Department of Education, 1991; NPSAS, 1990

- A significant number of AFDC recipients receive student aid for training

Adult Education is the major program for literacy and GED training serving AFDC recipients

- Total federal Adult Education Act funding FY1993 \$304 million
(Actual amount does not include state and local match which would more than quadruple total spending)
- Number of adults served 3 million
- Percent receiving public assistance within past 12 months (all levels) 36 percent
 - Adult Basic Education 43 percent
 - English as a Second Language 14 percent
- Average hours per week 4.9 hours
- Education Department funds (mixed with state and local education funds) provide the bulk of resources for education and training of JOBS participants.
- Federal and state education funds have significantly increased the ability of some states to draw down their full share of federal JOBS funds.

The Challenge for Providing Education and Training to Adults

- There is **no education "system"** for adults. There are multiple providers of funds and services, and there are no accepted standards of program quality.
- Programs are designed to encourage choice, but because **recipients often lack information**, they do not always make the best choices.
 - AFDC recipients are four times more likely to attend proprietary schools which often charge high tuition for short-term, low-quality programs that offer little hope of a job.
 - Low-income borrowers (i.e. under \$10,000) who attend proprietary schools are almost four times as likely to default on their loans as their counterparts who attend four year institutions (48% vs. 13% default rate).
- Job and career training is the primary motivation for taking adult education courses. Yet, **traditional adult education courses do not have an employment focus**. This may be one reason that adults do not stay in the programs very long.

Strategies for Reducing Welfare Dependency

- Direct students to schools with more effective education and training programs.
 - Limit federal aid to schools with demonstrated success
 - Increase access to information about schools
 - Improve collection and dissemination of outcome data such as graduation rates and job placement
- Improve coordination between education programs and the welfare system, including:
 - Work together to develop common approaches to assessing literacy levels
 - Develop an integrated education and work development plan that is appropriate for students' needs and counsel students on appropriate debt burden
 - Provide more information to welfare case managers on the quality of schools

Strategies for Getting Families off of Welfare - continued

- Improve quality of postsecondary and adult education programs serving this population
 - Provide education and training that is more relevant to work
 - Provide a sequence of courses that lead to occupational or skill level mastery
 - Provide support services (e.g. the TRIO program provides tutoring, mentoring, day care, and transportation)
 - Run comprehensive demonstration programs to systematically test what works
- Make students loans easier to repay through income contingency
 - Guarantees a return on investment for higher education
 - Prevents bad credit rating

Even Start Family Literacy Project:

A Dual Strategy

Adults and Parents

Even Start Family Literacy Project

A family literacy demonstration program for low-income, educationally deprived children and their parents. It provides early childhood education for participating children, and literacy and parenting training for their parents--generally at the same location so that parents and children can share activities.

<i>Total Federal Funding FY93</i>	\$89 million
<i>Families Served</i>	23,800
<i>Families with Household Income Under \$10,000</i>	71 percent
<i>Proportion of Even Start Families Receiving AFDC</i>	52 percent
<i>Participating Adults without a High School Diploma</i>	77 percent

Even Start Family Literacy Project

Preliminary results

- Children make strong gains on measures of school readiness – similar to the gains seen in evaluations of other high-quality early childhood education programs.
- Improves GED attainment – the adults attain their GED at a rate significantly higher than a control population.
- Parents change their expectations for their children – after participating in Even Start, parents are more likely to expect and want their children to complete high school or even college.
- Strongly increases the participation of very low-income and disadvantaged populations in its key services – adult education, parenting education, and early childhood.

working
group



AUG 31 1993

Dear Interested Parties:

Enclosed for your review and comment is the most recent version of a legislative framework for a workforce investment strategy which includes a comprehensive worker adjustment service, a one-stop career center system, and a national labor market information system. As this proposal is developed further, we are interested in your feedback.

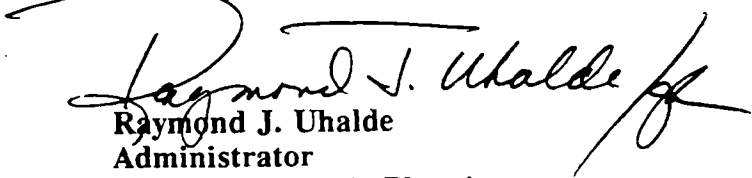
This draft proposal describes a revitalized system of employment and reemployment services for American workers who are in need of information, new jobs, or new skills to take full advantage of the emerging opportunities and challenges of today's workplace. It seeks to integrate the best aspects of the current employment and training system with the most promising innovations in management and customer driven service design. Ease of access, customer-driven design principals, high quality service delivery and a clear federal-state-local governance structure are the cornerstones of this proposal.

We believe that the proposed system will provide workers throughout the country with a more responsive and accessible set of opportunities to enable them to meet workforce demands and their own needs quickly and effectively. A primary objective of the comprehensive worker adjustment proposal is to consolidate several categorical worker programs into one so that permanently laid off workers can be aided promptly regardless of reason for job loss.

The development of a nationally supported labor market/occupational information system will provide the critical information base on which individuals and employers can make informed choices and develop strategies to achieve their employment goals.

We invite you to review and comment on this draft of the proposal. We consider your input critical to the successful development of this legislative package. Therefore, we would appreciate your written comments no later than September 13, 1993. If you have questions on this package, please direct them to Grace Kilbane on (202)219-5257 or Mary Silva on (202)219-8550.

Sincerely,


Raymond J. Uhalde
Administrator
Office of Strategic Planning
and Policy Development

Enclosures

THE WORKFORCE INVESTMENT STRATEGY

EXECUTIVE SUMMARY

August 30, 1993

The Workforce Investment Strategy is a three-pronged approach to creating a world-class system for supporting and strengthening the American workforce. The three elements of the strategy are:

- ✓ **Re-employment and Retraining, through the Comprehensive Worker Adjustment Services**
- ✓ **Access, through the One-Stop Career Center Network**
- ✓ **Information, through the National Labor Market Information System**

Re-employment and Retraining. Comprehensive Worker Adjustment

Services will provide workers who have permanently lost their jobs or received such notification with the opportunities and resources to find another appropriate job as quickly as possible, and, when necessary, enhance their skills in order to secure employment that will protect their earnings.

- ***Eligibility*** A single standard of eligibility to encompass all permanently laid-off workers without regard to cause of dislocation will be established.
- ***Authorized Services*** Services provided will include: outreach to encourage early enrollment for reemployment services; basic reemployment services, such as initial intake and assessment, career exploration and guidance, and job search skills training; highly intensive services for those who cannot find jobs through the basic services; education and training; retraining support for workers in training whose UI benefits have expired; relocation allowances; and support services, such as child care and transportation.
- ***UI Flexibility*** States will be allowed to offer self-employment support, reemployment bonuses, and short-time compensation through the UI system.
- ***Authorization and Allotment of Funds*** Seventy percent of the funds will be allotted to the States using the current EDWAA formula. The remainder will be reserved by the Secretary for national activities and discretionary grants.
- ***Disaster Relief Employment Assistance*** Disaster relief assistance will be implemented within national discretionary account authority, following the requirements outlined in Title IV, Section J of JTPA.

- **Governance** Federal responsibilities include operation of a national discretionary grant program to address large-scale dislocations, conducting planning and evaluation, developing performance measures and standards, and promoting capacity-building. State responsibilities include designating substate areas and administrative entities, establishing state-level Dislocated Worker Units for rapid-response, establishing program support and capacity-building, and monitoring the statewide system. At the local level a structure will be in place to provide policy guidance and program oversight. The local governing body will establish Worker Adjustment Career Centers, through which *all* worker adjustment services will be delivered.

Access. One-Stop Career Centers will be created as part of a national system within which all States will have the opportunity to develop Statewide networks of One-Stop Career Centers. The One-Stop Career Centers will provide any job seeker, student, or employer with streamlined access to a comprehensive menu of state-of-the-art, user-friendly, employment, education, and training information and services. The One-Stop Career Center System will be customer-oriented, outcome-based, and will provide flexibility for State, local, and individual decision-making.

This proposal provides a base which will enable States and local communities to implement One-Stop Career Centers in a flexible manner to ensure one-stop access to all DOL employment and training programs (*at a minimum*) for all individuals and employers. Although not proposed for legislation, a Federal interagency council will be established by the President to broaden Federal coordination with other Federal employment, training, and education programs.

- **General Requirements** There are six essential elements which must be included in every One-Stop Career Center: universal access; a standard menu of core services; sole funded deliverer of basic core services for DOL employment assistance programs; high-quality, customer-driven, outcome-oriented services; high integrity and accountability; and an integrated governance structure.
- **Implementation** Resources available to States wishing to implement the One-Stop Career Center System are: State Planning and Development Grants, State Implementation Grants, and Waivers.
- **Core Services** Each Center will provide the same set of core services at no charge. Basic services will be available to all individuals, and include customer oriented information, filing initial UI claims, DOL's Veterans' employment and training services, basic assessment, career exploration, eligibility review for all workforce development programs, job search assistance, and employer services. More intensive services will be made available to eligible dislocated workers.

- ***Optional Services*** Additional services may be provided through One-Stop Centers at State and local discretion. These may include DOL or other Federal, State, or locally-funded program services. Fees may be charged for services not paid for by other funding sources.
- ***Provision of Services*** Core basic services must be accessible at the Centers, and staff must be available to assist customers. A wide variety of self-accessed technology will also be used in the Center and around the community (such as kiosks or out-stationed computer terminals).
- ***Chartering One-Stop Career Centers*** Each One-Stop Career Center will receive a charter, or "Seal of Approval," certifying that rigorous Federal, State and local qualifying criteria have been met. All public and private entities, including consortia, may apply for a limited number of charters. Chartered Center operators will compete for customers.
- ***Governance*** Federal responsibilities include conducting planning and oversight, establishing performance measures, and developing a national logo for the charters. State responsibilities include establishing Statewide networks of One-Stop Career Centers, establishing a Human Resources Investment Council, designating labor market substate areas, establishing standards for the Federal performance measures, and, with local elected officials, establishing a chartering process. Local responsibilities include establishing a Workforce Investment Board (WIB), with responsibilities for strategic planning and evaluation for all workforce investment programs, and for establishing quality assurance and customer feedback mechanisms.

Information. The National Labor Market Information System will provide the information infrastructure to the Workforce Investment System. Using state-of-the-art technology, information on labor markets, career and educational opportunities, and quality of services will be developed and made widely available throughout the system.

- ***Funding*** National grants will be provided to States and other entities to enhance current systems and to develop new applications. Funds will be pooled from existing employment and training programs to improve the scope and quality of services. Other Federal funds supporting labor market information will be authorized to be made available for this purpose.

WORKFORCE INVESTMENT STRATEGY

INDEX AND SUMMARY OF COMMENTS

The following is an index to the key sections and topics in this August 31, 1993 draft version of the Department's Workforce Investment Strategy. To facilitate the Department's analysis of responses to the proposed delivery system, governance concepts and funding mechanisms -- as well as the new customer service emphasis and approaches embodied in the Worker Adjustment Services and One-Stop Career Centers -- commentators are encouraged to submit this summary sheet with their formal response checking the appropriate sections.

Section I Findings and Purpose () Findings and Purpose Section II Worker Adjustment Services () A. Statement of Purpose B. Summary of Basic Program Elements () Participant Eligibility () Outreach () Individualized Services () Comprehensive Reemployment Services () Support Services () Quality Training () Retraining Support () Program Integration () Performance Accountability/Outcomes () C. Eligibility D. Authorized Services () Services to Eligible Workers () Services to Eligible Workers Who Cannot Find Jobs Through Basic Employment Services E. UI Flexibility () Self Employment () Reemployment Bonuses () Short-Time Compensation () F. Authorization () G. Disaster Relief Employment Assistance H. Governance () Federal Roles and Responsibilities () Governor/State Roles and Responsibilities () Local Roles and Responsibilities () I. Conditions () J. General Administrative and Program Provisions	Section III One-Stop Career Centers () A. Statement of Purpose () B. Statement of Intent () C. General Requirements D. Implementation of the One-Stop Initiative () State Planning and Development Grants () State Implementation Grants () Waiver Requests () Approval Criteria () E. Core Services (Introduction) () F. Optional Services () G. Service Provision H. Performance Measures (Introduction) () General Prerequisites () Career Center Standards I. Chartering One-Stop Centers () What is a Charter () Entities Eligible to Receive a Charter () Chartering Criteria () Who Issues the Charter () Frequency of Chartering () Funding () J. Transition Provisions K. Governance () Federal Roles and Responsibilities () Governor/State Roles and Responsibilities () Local Roles and Responsibilities () L. Waivers () M. Administrative Provisions () N. Authorization and Allotment of Funds Section IV National Labor Market Information System () A. Statement of Purpose () B. Funding () C. System Characteristics Section V Additional Provisions () Additional Provisions
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THE WORKFORCE INVESTMENT STRATEGY

**A Comprehensive Proposal for
Worker Adjustment Services
and One-Stop Career Centers**

August 31, 1993

WORKFORCE INVESTMENT STRATEGY

Proposed Legislative Specifications

Table of Contents

Section I		Section III	
Findings and Purpose		One-Stop Career Centers	
Findings and Purpose	1	A. Statement of Purpose	30
Section II		B. Statement of Intent	31
Worker Adjustment Services		C. General Requirements	31
A. Statement of Purpose	3	D. Implementation of One-Stop Initiative	
B. Summary of Basic Program Elements		State Planning	
Participant Eligibility	4	and Development Grants	33
Outreach	4	State Implementation Grants	33
Individualized Services	4	Waiver Requests	34
Comprehensive Reemployment		Approval Criteria	34
Services	4	E. Core Services (Introduction)	
Support Services	4	Basic Services	35
Quality Training	4	Intensive Services	37
Retraining Support	5	F. Optional Services	37
Program Integration	5	G. Service Provision	38
Performance Accountability/Outcomes	5	H. Performance Measures (Introduction)	
C. Eligibility	5	General Prerequisites	38
D. Authorized Services		Career Center Standards	39
Services to Eligible Workers	6	I. Chartering One-Stop Centers	
Services to Eligible Workers Who		What is a Charter	40
Cannot Find Jobs Through		Entities Eligible to Receive a Charter	40
Basic Employment Services	7	Chartering Criteria	41
E. UI Flexibility		Who Issues the Charter	42
Self Employment	13	Frequency of Chartering	42
Reemployment Bonuses	14	Funding	43
Short-Time Compensation	14	J. Transition Provisions	44
F. Authorization	15	K. Governance	
G. Disaster Relief Employment Assistan	18	Federal Roles and Responsibilities	44
H. Governance		Governor/State Roles and	
Federal Roles and Responsibilities	20	Responsibilities	45
Governor/State Roles and		Local Roles and Responsibilities	47
Responsibilities	21	L. Waivers	49
Local Roles and Responsibilities	25	M. Administrative Provisions	49
I. Conditions	28	N. Authorization and Allotment of Funds	49
J. General Administrative and Program		Section IV	
Provisions	28	National Labor Market Information System	
		A. Statement of Purpose	50
		B. Funding	51
		C. System Characteristics	51
		Section V	
		Additional Provisions	
		Additional Provisions	53

SECTION I FINDINGS AND PURPOSE

- ▶ Growing world trade and advances in technology are creating vast and far reaching changes in the U.S. economy. These changes hold the promise of broad economic growth as well as an increase in the number of higher-skill, higher-wage jobs for Americans. If Americans are to take advantage of these economic shifts, they will need to constantly upgrade their job skills and work-related knowledge.
- ▶ This economic restructuring also is forcing some Americans to change jobs and even occupations. The number of structurally unemployed workers, i.e., those who have lost their jobs and are not likely to be recalled to their old jobs or find similar ones, is rising. These Americans need quick and easy access to effective employment services and information to help them get back to work. They need a way to master the confusion and complexity of the numerous Federally-funded employment and training programs in order to identify the resources best suited to help them successfully manage their careers.
- ▶ To serve its working people and provide for future economic growth, America requires a comprehensive worker adjustment program delivered through a network of Career Centers and supported by a high quality labor market information system. Governors will have the option of developing a network of One-Stop Career Centers through which Labor Department-funded employment and training programs will be provided. This initiative recognizes and builds on many promising innovations already underway across the country.
- ▶ Specifically, the workforce investment strategy will:
 - Consolidate several categorical worker training programs into a single comprehensive worker adjustment program and give the Unemployment Insurance system increased flexibility to encourage workers to find reemployment quickly and to help some workers start new enterprises.
 - Offer Governors the opportunity to develop or expand Statewide networks of One-Stop Career Centers to provide workers and students with a single point of access to labor

market and career information, education and training programs, skills assessment, job placement and other employment services, and to provide local employers with worker recruitment and related services.

- Those committed to One-Stop Career Centers will, in conjunction with local elected official(s), establish a governance structure that brings together employers, labor organizations, education and training institutions, government agencies, and others to develop and oversee workforce investment strategies responsive to the needs of workers, employers, and area economies.
- Establish a nationwide labor market information system to improve people's capacity to make decisions on jobs, careers, and education and training programs.

SECTION II WORKER ADJUSTMENT SERVICES

A. STATEMENT OF PURPOSE

- ▶ The goal of the program is to provide workers who have permanently lost their jobs with the opportunities and resources to find another appropriate job as quickly as possible and, when necessary, enhance their skills in order to secure employment that will protect their earnings. The program will be customer-oriented, outcome-based, and provide flexibility for local decision-making.
- ▶ The objectives of the program are to:
 - Provide permanently laid-off workers -- regardless of reason for job loss -- access to a comprehensive system of services and resources designed to help them become reemployed in a timely manner.
 - Identify and refer such workers to appropriate services as soon as possible.
 - Provide programmatic flexibility so that services can be tailored to individual needs. Provide individual workers in need of services the opportunity to choose service providers.
 - Reemploy workers in jobs with wages comparable to their preceding job, or with career paths that lead to wages comparable to their preceding job.
 - Collect and maintain data on program quality that provides dislocated workers and program staff with the information needed to choose effective education, training and support service providers.
 - Provide income support so that experienced workers in training have the financial means to complete such training.

B. SUMMARY OF BASIC PROGRAM ELEMENTS

- ▶ **Participant eligibility.** The program will establish a single standard of eligibility to encompass all permanently laid-off workers without regard to cause of dislocation, including those resulting from corporate restructuring, international trade agreements (e.g., NAFTA, GATT), defense downsizing, and environmental requirements (e.g., spotted owl endangered species designation).
- ▶ **Outreach.** The program will make significant investments in participant outreach so that a high percent of eligible workers will receive services, and focus on reducing the period of unemployment and facilitating each worker's early return to appropriate employment. Funds will be earmarked for use in strengthening rapid response, conducting UI profiling to identify workers needing active assistance, and developing improved labor market information.
- ▶ **Individualized service.** Services will be tailored to the needs of the individual worker and to the requirements for obtaining an appropriate job in the local labor market or other labor market to which the individual is willing to relocate.
- ▶ **Comprehensive reemployment services.** The program will make basic intake, assessment and testing, career exploration and guidance, job search skills training, and job referral, job development, and placement assistance services available to all eligible workers. More intensive assistance also will be provided to such workers who are unable to secure appropriate jobs through those basic reemployment services. The intensive services will include: diagnostic assessment, career planning, development of individual reemployment plans, personal counseling, and referrals to appropriate education, training and support services.
- ▶ **Support services.** Transportation, child care, and other appropriate assistance will be available to eligible workers based on needs documented in the reemployment plan.
- ▶ **Quality training.** The program will expand and improve the quality of education and training options which are available to individual workers. Workers, with the assistance of career counselors, will identify the most effective reemployment strategy from an array of competing programs and organizations and make an informed choice

regarding the provider of training. All education and training providers will be required to provide performance-based information to ensure that workers, and counselors, can make informed decisions.

- ▶ **Retraining income support.** Retraining income support payments will be available to experienced workers with a demonstrated attachment to the workforce while they are enrolled in training. This support will make it possible for such workers to complete longer-term training. Retraining support payments will extend for up to 18 months beyond the maximum 26 weeks of income assistance now available through the unemployment insurance system.
- ▶ **Program integration.** The program will be organized and operated through Workforce Adjustment Career Centers (WACCs).
- ▶ **Performance accountability and outcomes.** The program will operate under a governance structure with strong accountability to workers, employers, and the local community for quality service and outcomes. The program will have a mechanism to obtain regular feedback from employers and workers who receive services from the program and for using this feedback to make decisions regarding the allocation of resources and operation of WACCs.

C. ELIGIBILITY

The following categories of workers would be eligible for the program:

- ▶ All workers who have been permanently laid-off from their employer and who are unlikely to be reemployed in the same or a similar occupation, including certain part-time and seasonal workers.
- ▶ All workers who have received a notice of a permanent lay-off
 - Including workers who have not received a notice but who are employed at a facility for which the employer has made a public announcement of planned closure of such facility, e.g., military base, except for those workers at the facility who are likely to remain employed with the employer at another location or who will retire on or before separation.
 - Workers receiving such notice will be eligible for assistance beginning one year prior to the scheduled closure date.

- ▶ Long-term unemployed individuals with limited opportunities for employment or reemployment in the same or similar occupation in which they were previously employed.
 - "Long-term" is to be defined by the Governor, but shall be a period of at least 26 weeks duration.
- ▶ Self-employed (including farmers or ranchers) individuals who are unemployed as a result of general economic conditions in the community in which they reside or because of natural disasters, and are seeking employment alternatives.
- ▶ As under current law, Governors at their option may serve displaced homemakers provided that this does not adversely affect other dislocated workers.

D. AUTHORIZED SERVICES

- ▶ **High quality, consumer-oriented labor market and worker reemployment services information.** This information will be available for all eligible workers in a variety of formats using available technology.
 - Available information services will include data on: job openings; employment trends; local occupations in demand and the earnings and skill requirements for such occupations; performance of local education, training and job placement organizations; and eligibility requirements for relevant federal, State and local programs.
- ▶ **Outreach to encourage early enrollment for reemployment services offered through Worker Adjustment Career Centers.**
 - Funds will be authorized (in addition to funds authorized in the UI program) to conduct UI Profiling to identify UI applicants who share characteristics common to workers at risk of extended periods of unemployment. These workers will be immediately referred to Workforce Adjustment Career Centers for eligibility determination and appropriate reemployment services.
 - Rapid response services must be provided by States within 5 working days of receiving a WARN notice or some other

information that identifies a permanent layoff or plant closure of 50 workers or more. Governors will have the authority to identify circumstances for providing rapid response assistance in layoff situations with fewer than 50 workers.

- Rapid response assistance will: facilitate the establishment of Transition Assistance Committees with representatives of both the employer and the workers; coordinate the planning and provide technical assistance to support implementation of an adjustment plan; assist in the establishment of short-time compensation programs if a state option; and provide for on-site delivery of basic reemployment services as appropriate.

(1) Services to all Eligible Workers

- **Basic Reemployment services**, available to eligible workers through Workforce Adjustment Career Centers, include:

- Orientation to available information and services;
- Filing initial UI claims;
- Eligibility review for all DOL-funded employment and training programs except UI, determination of dislocated worker eligibility, and referral as appropriate;
- Preliminary testing and assessment of skills, interests and aptitudes;
- Career exploration and guidance ;
- Group-based counseling, including stress management and financial management , which shall be available for dislocated workers and for dislocated workers jointly with their spouses;
- Job search skills training (including resume and interview preparation, workshops, and job clubs);
- Job referral, job development and placement services;
- Out-of-area job search allowances

- The out-of-area job search allowance for a worker shall not exceed an amount equal to 90 percent of the cost of necessary and reasonable out-of-area job search expenses, up to a maximum of \$800.
- A worker may not receive more than one out-of-area job search allowance.

[NOTE: comparable to TAA.]

(2) Services to Eligible Workers who Cannot Find Jobs Through Basic Employment Services

▶ **Intensive Reemployment Services**

- Diagnostic testing of skills and aptitudes and in-depth interviewing to develop appropriate employment goals and identify employment barriers;
- Individualized counseling and career planning;
- Assistance in the evaluation and selection of an appropriate provider of needed education, training and support services;
- Case management, follow-up, and support for individuals receiving education, training and/or support services;
- Reemployment bonuses through the UI system to eligible individuals in States which have this UI payment option.
- Preparation of a Reemployment Plan:
 - The Reemployment Plan will be an individual plan for a participant which shall include an employment goal, appropriate achievement objectives, and the appropriate combination of services for a participant to reach that employment goal.
 - The Reemployment Plan will be a strategy for reemployment developed jointly by the worker and the career counselor and signed by both parties.

- In order for individual workers to have sufficient time to evaluate and select optional providers of education and training services, the Reemployment Plan must be completed at least two weeks before the date on which the worker must be enrolled in an education or training program in order to qualify for retraining income support.
- Since the Reemployment Plan will be a basis for qualifying to receive education, training and support services, States will be required to establish an appeal process in the event of disagreement between the individual worker and the career counselor over the reemployment strategy.

► **Education and Training Services**

Education and training services will be available to workers who need new or higher-level skills to meet employer hiring requirements. Education and training services must include:

- Basic skills training, including remedial education and literacy training, through linkages when possible with locally available programs; and,
- Occupational skills training (classroom and on-the-job) including training to replace or update obsolete skills without which employment in emerging or high-skilled occupations would be unlikely.

Education and training services may also include:

- Entrepreneurial training, including entrepreneurial/ self-employment assistance to provide training and support to help individuals establish a business plan, and achieve linkages with sources of financing and technical assistance. (Individuals in this activity may qualify for self-employment allowances equal to UI payments in those States which choose to exercise this UI payment option.); and,
- Other appropriate, skills-based training (e.g., skills required for high performance workplace environments such as problem-

solving and teamwork, and skills related to the use of new technologies).

In order to receive these education and training services, an individual must have and follow a current Reemployment Plan, and the services must be necessary for the achievement of appropriate employment objectives.

Workers will be able to select education and training provider(s) from a broad listing of participating, qualified service providers. Providers will be required to supply quality-based performance information.

- Education and training services will be provided primarily on an individual referral basis through payments to the selected service provider.
 - Where a group of workers is identified that have similar needs and reemployment interests regarding available employment opportunities, a customized training program for these workers may be funded.
 - In some cases, localities may negotiate an appropriate training program with new providers that must be subsequently qualified.
 - Technical assistance will be provided to expand and enhancing the local service options by encouraging the creation and establishment of innovative service providers such as industry consortia to design and deliver customized training, and the development of linkages to computer-accessed learning programs.
- ▶ **Retraining income support** will be available for permanently separated tenured workers for each week they are making satisfactory progress in full-time training (other than on-the-job training).
- Full-time training under the program will be "approved training" for the purposes of determining continuing eligibility for UI benefits .
 - To be eligible to receive retraining income support, individuals must be:

- Eligible to receive unemployment compensation under the State's unemployment compensation system;

[NOTE: EDWAA allows needs-related payments to workers who are not eligible for UI.]

- Tenured workers, i.e., workers who were continuously employed with the layoff employer, not counting spells of temporary layoff, for the previous two years (including part-time and seasonal). For the purpose of this Section, individuals who have had multiple employers (over the previous two years) and are part of a multi-employer pension program or who are employed through a single hiring hall will satisfy the requirement of continuous employment with the layoff employer.
- Receiving basic reemployment services by the 8th week (or by the 6th week after becoming aware that a temporary layoff will be permanent) of the initial UI benefits period following a permanent separation, and are enrolled in education and training services by the 16th week (or by the 14th week after becoming aware that a temporary layoff will be permanent).

[NOTE: This is different from current provisions requiring enrollment in retraining by the 13th week of initial UI benefits period.]

- Retraining income support payments will commence once an eligible worker has exhausted his or her UI benefits.
- The period of eligibility for retraining support will be the time necessary to complete a training or education program under the worker's Reemployment Plan, but not more than 18 months. The 18 month period shall include any time reflected in extensions of UI benefits.
- The retraining income support payment will be equal to the individual's UI benefit payment, adjusted for earnings from part-time employment consistent with State UI policies. This will allow some individuals to work part-time while in training.

- Individuals in training who are not eligible for retraining support payments will be provided assistance in securing Pell grants and other forms of financial assistance.
- ▶ **Relocation allowances** will be provided to workers when necessary to move to a new area to take a job with a new employer if similar opportunities are not available within a reasonable commuting area.
 - The relocation allowance for an individual shall not exceed an amount equal to the sum of: 90 percent of reasonable and necessary expenses incurred in transporting the worker and the worker's family, and household effects, plus a lump sum payment equivalent to three times the worker's average weekly wage up to a maximum lump sum payment of \$800 per participant.
 - Relocation allowances shall only be paid to individuals with bona fide job offers in the area to which they are relocating.

[NOTE: comparable with TAA.]

- ▶ **Support services** will be available for participants, including those who do not qualify for retraining support, based on needs documented in the Reemployment Plan.
 - Funds may be used, where necessary, to provide dislocated workers dependent care, transportation, meals, health care, etc., to enable dislocated workers to participate in training and other intensive services.
 - Support services will be provided through direct payments to the individual worker or through payments to selected service providers.
- ▶ **Skills upgrading for currently employed workers at risk of layoff, community adjustment planning and employer conversion/diversification/work restructuring** may be made available under the Secretary's national reserve account.

[NOTE: Employer assistance services and community conversion planning assistance are currently authorized under the Defense Diversification Program.]

- ▶ **Supplemental wage allowances** for eligible workers, who are within a specified period of time of qualifying for retirement, who have obtained lower-paying jobs, in an amount not to exceed 50 percent of their UI benefit, limited to amount equal to 80 percent of previous wage, for a period not to exceed 52 weeks.

E. UI FLEXIBILITY

States will have the option of adopting three new approaches for providing benefits to unemployed workers who have the specific capabilities to take advantage of these approaches. These options are aimed at introducing flexibility into the basic program of UI benefit payments, and are designed to assist in leading workers to reemployment. Two of these options -- self-employment and re-employment bonuses -- will provide permanently laid-off workers with assistance and incentives for rapid re-employment. The third -- short time compensation -- will use benefit payments to avoid or delay layoffs. Administration of the benefits will continue to be the responsibility of the UI system.

(1) **Self-Employment in Unemployment Insurance.** Flexibility will be provided within the UI system to use benefit payments as allowances which support certain claimants in starting their own small businesses.

- Current UI law will be amended to allow these periodic allowance payments to permanently laid-off workers who indicate interest in and show potential for starting small businesses.
- Certain requirements will be established in legislation to assist the permanently laid-off worker in the successful establishment of a business while at the same time safeguarding the integrity of the UI Trust Fund. These will include:
 - Requirements for participation in business training and support service; and,
 - Assurances that the worker is engaged full-time in establishment of the business.

the equivalent of UI benefits, those enrolled in this program will not have to meet current UI requirements regarding work search, nor will they have to accept wage and salary jobs. In addition, earnings from self-employment will not be counted for UI eligibility purposes.

(2) Reemployment Bonuses. Certain unemployed workers will be offered reemployment bonuses, or incentive payments over and above regular benefit amounts only if they find new work within a specified number of weeks. Demonstration programs have shown that reemployment bonus programs are cost effective, and that participating workers found work sooner (in comparable occupations and at the same wages) than a control group.

- Requirements for State operation will be established which ensure against improper use of this flexibility option. These will include:
 - Bonus payments only after a period of employment, and only to those getting jobs with new employers; and
 - Payment of a multiple of the weekly benefit amount, only under the conditions of a Reemployment Plan, to individuals identified as permanently laid-off and in need of reemployment assistance.

(3) Short-Time Compensation. Short time compensation allows employers to reduce hours of employment for a large group of workers, rather than laying a smaller number of workers off. Workers on short-time compensation receive unemployment compensation for the reduced hours. Seventeen states currently operate short-time compensation programs.

All programs currently require establishment of employer plans which are approved by the State. These plans contain features which protect against the misuse of the program and govern its operation. These features include establishing limits on the number of hours compensated, and in some cases, continuing health and pension benefits.

This program was reauthorized in 1992 as part of the Emergency Unemployment Compensation program. The legislation is flawed, however, because it does not permit States to continue operating the present 17 programs as they are designed, and does not allow the Secretary to establish safeguards for program flexibility.

F. AUTHORIZATION AND ALLOTMENT OF FUNDS

- ▶ The program will be authorized for funding at such sums as necessary in Fiscal Year 1995, and each of the following three fiscal years.
- ▶ Of the amounts appropriated, 70 percent of the funds will be allotted to the States on a Program Year basis beginning on July 1, and 30 percent may be retained by the Secretary for national activities.

[NOTE: Under current law, 80 percent of the EDWAA formula for Title III of JTPA is allotted to the States and 20 percent is retained by the Secretary. When funds for EDWAA and other national programs authorized in Title III are combined (i.e., Defense Conversion and Clean Air), the allotment to the States is approximately 65 percent with 35 percent retained by the Secretary.]

- The current EDWAA allotment formula will distribute the funds among the States. No State shall be allotted less than 90% of its allotment percentage for the program year preceding the program year for which the determination is made. No State shall be allotted more than 130% of its allotment percentage for the program year preceding the program year for which the determination is made.
- Of the amount allotted to each State, the Governor may retain 30 percent [versus 40 percent under current law].
 - Not more than 15 percent of the retained amount will be available for State administration, coordination and oversight.
 - Not less than 50 percent of the retained amount must be used for outreach (including required rapid response and UI profiling), and the development and maintenance of a State and local labor market information system, including information on labor market conditions and

employment opportunities, and on qualified education and training service providers.

- The development and dissemination of consumer-oriented labor market and service provider information, and the provision of outreach, including rapid response services and UI profiling, are to be provided from funds reserved by the State.
- The remaining retained funds may be used by the Governor to make grants as necessary during the year to provide training and reemployment services for eligible workers dislocated as a result of plant closures and mass layoffs throughout the State.

[NOTE: Reduction of the allowed state reserve percent is intended to make money available upfront to substate areas. This does not change the state's authority to reallocate funds among substate areas based on actual expenditures. The 50% floor for outreach and information system activities reflects the increased importance of the activities and the state's essential role in insuring that they are effectively implemented.]

- The remaining 70 percent of the State's allotment must be allocated to the substate areas for provision of reemployment and training services to eligible workers. The Governor will prescribe the substate allocation formula, using and applying weights to the factors in the State allotment formula and such additional factors as the Governor deems appropriate.

[This changes the six required factors currently specified in EDWAA: (1) insured unemployment, (2) unemployment concentrations, (3) plant closing and mass layoff data, (4) declining industries, (5) farmer-rancher economic hardship data, and (6) long-term unemployment data.]

- ▶ Of the 30 percent that may be retained by the Secretary:
 - Not less than 70 percent will be available to make additional grants for worker adjustment assistance in response to large-scale dislocations resulting from such factors as plant closures or mass layoffs, business reorganization or restructuring, trade-

mass layoffs, business reorganization or restructuring, trade-related impacts (including NAFTA impacts), changes in technology or environmental requirements, and reductions in defense spending.

- The Secretary will have the flexibility to consider strategies and approaches that are customized to respond to specific dislocations, including early intervention in response to a public announcement of a base closure or plant closure prior to the receipt by the workers of individual notices of termination.
- Eligible grantees include States, substate entities, employers, employer associations, representatives of employees.
- Up to 15 percent may be used *[versus minimum of 10 percent currently]* for evaluation of program performance, research, and pilot and demonstration projects. Such projects may include employment and training of incumbent workers with limited skills or who are at-risk of layoff, wage insurance/wage supplements and other incentives for earlier re-employment, and employer-sponsored training in conjunction with efforts to avert a layoff or to introduce high-performance work organization systems.
- Up to 10 percent *[versus 5 percent currently, although the establishment of national MIS is a new provision]* may be used for:
 - Capacity building initiatives based on proposals submitted by the States. These funds will be used to support the expansion of service options at the local levels, including industry consortia delivering customized training programs, and regional and national training providers offering computer-accessed learning systems;
 - Staff development and training for Federal, State and local staff including members of State and local boards and vendor staff; and

- Technical assistance, including establishment of a national management information system to support program oversight and enhance service quality. A portion of the amount reserved will be used for collecting and analyzing statistical data on permanent layoffs and plant closures to be used at the State-level to trigger rapid response as well as for planning and substate allocation of resources.
- ▶ The Secretary will recapture excess unexpended formula funds annually (consistent with current policies and procedures) and use these funds for additional discretionary grants for worker adjustment assistance.

[Currently, recaptured funds are reallocated among the States from which funds are not recaptured.]

- The amount subject to recapture shall be the amount by which the unexpended balance of the State allotment at the end of a program year exceeds 20 percent of the allotment for that program year, plus the unexpended balance of the State allotment from any program year prior to the program year in which there is such excess.
- Recaptured funds shall be available for three program years, including the program year of their allotment.
- ▶ Limitations on use of funds
 - Of the funds allotted to States, and allocated to substate areas by formula, States and substate entities each may not spend more than 15 percent on administration.

G. DISASTER RELIEF EMPLOYMENT ASSISTANCE

Disaster relief assistance will be implemented within national discretionary account authority, following the requirements outlined in Title IV, Section J of JTPA.

- ▶ Title IV, Part J -- Disaster Relief Employment Assistance

Section 499A. General Authority

(a) Qualification for Funds. -- Funds appropriated to carry out the national discretionary account shall be made available in a timely manner by the Secretary to

the Governor of any State within which is located an area that has suffered an emergency or a major disaster as defined in paragraphs (1) and (2) respectively, of section 102 of the Disaster Relief Act of 1974 (42 U.S.C. 5122 (1) and (2)) referred to in this part as the "disaster area").

(b) Substate Allocation. -- Not less than 80 percent of the funds made available to any Governor under subsection (a) shall be allocated by the Governor to units of general local government located, in whole or in part, within such disaster areas. The remainder of such funds may be reserved by the Governor for use, in concert with State agencies, in cleanup, rescue, repair, renovation, and rebuilding activities associated with such major disaster.

(c) Coordination. -- Funds made available under this part to Governors and units of general local government shall be expended in consultation with --

(1) agencies administering programs for disaster relief provided under the Disaster Relief Act of 1974; and

(2) the administrative entity and the private industry council in each service delivery areas within which disaster employment programs will be conducted under this part.

Section 499B. Use of Funds

(a) Projects Restricted to Disaster Areas. -- Funds made available under this part to any unit of general local government in a disaster area --

(1) shall be used exclusively to provide employment on projects to provide food, clothing, shelter, and other humanitarian assistance for disaster victims and on projects regarding demolition, cleanup, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within the disaster area; and,

(2) may be expended through public and private agencies and organizations engaged in such projects.

(b) Eligible Participants. -- An individual shall be eligible to be offered disaster employment under this part is such individual is --

(1)(A) eligible to participate or enroll, or is a participant or enrolled, under Title III of this Act, other than an individual who is actively engaged in a training program; or

(B) eligible to participate in programs or activities assisted under section 401 or 402; and

(2) unemployed as a consequence of the disaster.

(c) Limitations on Disaster Relief Employment. -- No individuals shall be employed under this part for more than 6 months for work related to recovery from a single natural disaster.

(d) Regulations. -- The Secretary shall prescribe such regulations as may be necessary to promote the fiscal integrity of programs conducted with funds made available under this part.

Section 499C. Definitions

As used in this part, the term "unit of general local government" includes --

(1) in the case of a community conducting a project in an Indian reservation or Alaska Native village, the grantee designated under subsection (c) or (d) of Section 401, or a consortium of such grantees and the State; and

(2) in the case of a community conducting a project in a migrant or seasonal farmworker community, the grantee designated under section 402(c), or a consortium of such grantees and the State.

H. GOVERNANCE

► Federal Roles and Responsibilities

- Execute a Partnership Agreement with each State and local elected official(s) for each Worker Adjustment Career Center to describe responsibilities at each level of government to support the delivery of high quality services to Center customers.
- Allot and recapture funds among the States.
- Operate a national discretionary grant program to address large-scale impacts and multi-State/industry-wide dislocations which are national in scope or for which need exceeds available resources.
- Conduct program planning and evaluation activities to support the effectiveness of State formula and national discretionary grant programs.
- Prescribe performance and general program standards for State and substate programs.
 - Performance standards may include follow-up employment rate, wage rate at specified period after leaving the program, and wage comparability rate at specified period after leaving the program, attainment of certification, customer satisfaction, and such other qualitative and quantitative measures (including attainment of national skills standards as they become available) prescribed by the Secretary.

- Operate a pilot and demonstration program to test innovative strategies for responding to worker dislocation.
- Promote capacity-building, assist in the development of data collection and MIS systems, and provide technical assistance to State and substate entities.

► **Governor/State Roles and Responsibilities**

- Enter into a Partnership Agreement with DOL, local elected officials, and the Centers which describes roles, responsibilities, and expectations for each.
- Designate substate areas for implementing the program, consistent with current law, after receiving any recommendations from the State Council. States and local elected officials are encouraged to make this designation to reflect the substate area's labor market in order to enable better planning, coordination, and better information regarding jobs and training.
 - Each existing Title II Service Delivery Area shall be included within a substate area and no service delivery area shall be divided among two or more substate areas.
 - In making designations of substate areas, the Governor shall consider:
 - the availability of services throughout the State;
 - the capability to coordinate the delivery of services with other human services and economic development programs;
 - the geographic boundaries of labor market areas within the State.
 - A percent of the appropriated funds -- e.g., 5 percent -- will be a set-aside for financial incentives to States and labor market areas which establish and maintain substate areas which meet "realistic labor market area."

- In conjunction with local elected official(s) in each substate area, designate a substate administrative entity or a substate fiscal agent. [See options under Local Role.] Local government entities represented by the local elected official(s) are liable for misexpenditures of program funds in the substate area.

The Governor, in conjunction with the local elected official(s) and the Private Industry Council(s) (PICs), chooses a method of competition for selecting the operators of the WACC which is best for the State and/or individual labor market area(s).

Examples of approaches include:

- The Governor or local entity puts out a competitive bid for an umbrella organization for that area -- e.g., will be responsible for the entire network of WACC's in the labor market area.
- The Governor or local entity, selects through a competitive process, several entities, which may be different organizations in the same local labor market, to operate the WACC.
- Establish a State-level Dislocated Worker Unit with clear responsibilities for rapid response following the receipt of WARN notices and other notifications of plant closures/layoffs.
 - Accept WARN notices and other information to identify layoffs affecting 50 workers or more;
 - Contact and on-site assistance with representatives of the employer and the affected workers within five days;
 - Establishment of Transition Assistance committees to plan and oversee the delivery of reemployment, education and training services to eligible workers (TACs should be comprised of a balanced mix of representatives of the employer, the affected workers, labor organizations, and the community as appropriate and

should be chaired by an individual who is neutral to the interests of the employer and the workers. The committee must provide a mechanism for the active participation of workers and labor organizations in planning and overseeing the delivery of services.)

- Development of an action plan for the provision of reemployment and training services to eligible workers, including group counseling and assessment, and labor market information.
- Development of agreements with Worker Adjustment Career Centers through the appropriate substate entities (Options 1 and 2) regarding the provision of reemployment and training assistance to eligible workers, including the establishment of employer site assistance centers. The Governor may use some of the funds retained by the State to operate such centers, but the State must ensure that such centers are operated in conjunction with the established Worker Adjustment Career Centers in the substate area.
- Establish and implement a process for development and approval of substate plans for the delivery of services within each substate area.
- Establish the following program support capabilities:
 - A capability for Statewide and labor market area collection and dissemination of consumer-oriented LMI and service provider information as part of the National Labor Market Information System;
 - Methods to coordinate the delivery of reemployment services with the administration of retraining support payments for eligible individuals in training through the State's UI system;
 - A performance measurement and accountability system that systematically collects data on Career Center and special project performance as measured by performance standards required by the Secretary and the Governor and

contained in a Partnership Agreement. Performance measures should include candid, unfiltered customer feedback information on the quality and effectiveness of services provided through Worker Adjustment Career Centers;

- Procedures for awarding grants as necessary during the year to provide training and reemployment assistance for eligible workers dislocated as a result of plant closures and mass layoffs throughout the State;
- A capability for UI profiling and referral of potential long-term unemployed workers to substate service entities for appropriate services;
- Allocation of and reallocation of funds to substate areas.
- Develop and publish a State Plan for public review and comment every two years that describes management of the State's comprehensive worker reemployment delivery system.
- Establish a State and substate system for qualifying providers of education and training services, including the collection and maintenance of capability and performance information on such providers.
 - The State will require the annual publication of outcome-based performance information by each service provider to allow workers to make an informed choice among providers. This may include information such as: the percentage of students who completed their planned course of study, the percentage of students who found a job in a training-related occupation and the wages paid, and licensure rates. Once national skills standards have been identified and established, education and training providers will be required to report the percentage of students who mastered necessary competencies, as well, and were certified.
 - The State will establish procedures for the sanctioning of service providers that do not comply with Federal or State laws, refuse to provide accurate and timely

performance information, or fail to meet minimum performance standards. The State will maintain an appeals process for service providers that challenge such sanctions.

- Establish a capacity building program, accessing funds reserved to the Secretary through the submission of applications, to:
 - Provide standards for appropriate program staff competencies and training to meet those standards, including especially case-management counseling, job development and employer assistance skills.
- Monitor all State and substate program activities, including national discretionary grant projects.
- Prepare and publish an Annual Assessment of Worker Reemployment based on employer surveys and program results which would identify current skill demands and projected growth, assess the ability of available training to meet employer needs, and recommend program adjustments.

► **Local Roles and Responsibilities**

- Pursuant to the agreement between the Governor, the local elected official(s) and the appropriate oversight body, each substate area will have one or more Worker Adjustment Career Centers (WACCs) and a network of education, training and support service providers. A Partnership Agreement between all levels of government and the WACCs will describe support to be provided, responsibilities of each, and the outcomes expected. The network of WACCs will be established through a competitive process.
 - Competition of the WACC will occur at least once every four years, or more often if it is determined that a Center operator is not achieving adequate performance, or is in violation of administrative requirements.
- Workforce Adjustment Career Centers shall be single site locations at which all reemployment services shall be available. Information services may be available at other locations and

through other organizations. Reemployment services may be provided at employer sites in the case of plant closures or mass layoffs.

- Entities eligible to compete as WACC's include any existing providers of employment and training services, other public and private organizations, and consortia of such entities.
- Eligible entities must show that they can be honest brokers of education and training services for individual customers -- e.g., an entity that is eligible to be designated as a WACC but is also a direct provider of some education or training course will need to demonstrate that the WACC is not merely an entry point for its own programs, and that career counselors utilize all resources in the community as needed by the customer.
- A local governance entity shall be established which shall:
 - Establish a mechanism for obtaining regular candid customer feedback on the effectiveness and quality of services being provided at each WACC in the area.
 - Provide periodic reports to the Governor summarizing key customer feedback findings regarding strengths and weaknesses in the provision of dislocated worker services in the substate area and at each WACC.
 - Ensure that customer feedback information is considered in the recompetition of Center operators.
 - Implement a performance management process for WACC operations that includes both performance standards and customer feedback.
 - Operate an appeals process for an individual worker who cannot reach agreement with his or her Career Counselor regarding the Reemployment Plan, eligibility for training, and/or retraining support.

[There are two options for local governance. Option 1 uses an existing structure, e.g., EDWAA Option 2 uses a new structure with a Workforce Investment Board (WIB) and local fiscal agent.]

- **OPTION 1: The substate administrative entity shall be responsible for:**
 - Receipt and administration of funds allocated to the substate area;
 - Preparation of a plan, as directed by the Governor, which identifies the number and location of Worker Adjustment Career Centers in the substate area, the training needed for jobs in demand and jobs of the future;
 - Administering a process for competitively selecting operators of Worker Adjustment Career Centers, and executing contracts with such operators;
- **OPTION 2: The local elected officials(s) appoint a Workforce Investment Board (WIB). WIB membership will include business, labor organizations, education and training, local government, community organizations and other interested parties. Membership will be subject to certification by the Governor for compliance with membership requirements.**
 - The WIB shall is responsible for program policy guidance and performance management. Responsibilities will include: determining the number, location, and budgets of WACCs; administering the process for competitively selecting WACCs; implementing a performance management process for WACC operations that includes both performance standards and customer feedback; identifying training needed for jobs in demand occupations and jobs expected to be in demand in the future; and ensuring that training is necessary and appropriate.
 - Local elected official(s) and the WIB select a substate fiscal agent which is responsible for administering funds, executing contracts with operators of WACCs, and

financial and compliance oversight of WACC operations.
[Local government entities represented by local elected officials are liable for misexpenditures of program funds in the substate area.]

- The WIB is prohibited from administering funds or delivering services.

I. CONDITIONS

- ▶ By July 1995, all States must provide all services to all eligible workers under this program through a network of Workforce Adjustment Career Centers or, at the Governor's option, One-Stop Career Centers.
 - Each Workforce Adjustment Career Center must provide all authorized reemployment services, and must provide for referrals to qualified providers of all authorized education and training services. Entrepreneurial training and non-occupational skills training may be provided as appropriate.

J. GENERAL ADMINISTRATIVE AND PROGRAM PROVISIONS

- ▶ The program will operate on a Program Year basis from July 1 through June 30, to provide lead time for allotment and allocation of funds and development of State and substate plans prior to the beginning of the program period.
- ▶ The proposal will add two year obligational authority permitting recapture and reuse of excess unexpended prior year funds from both formula and discretionary awards.
- ▶ Provisions relating to labor standards, safety and health, grievance procedure, non-duplication of activities and services that are already available, non-discrimination, fiscal controls and sanctions, administrative adjudication and judicial review, etc., will be similar to those applicable to EDWAA (under title I of JTPA). JTPA provisions related to serving most in need will not be included. The legislation will incorporate its own language on competitive procurement to be consistent with local governance structure provisions.

- ▶ State and substate performance standards will be used to monitor and measure performance through a national management information system that will report participant and expenditure data and training-related placements, and includes measures for wage replacement and job retention. Substate performance oversight will include program quality assessment by the existing local governance body and customer feedback mechanism.
- ▶ Retraining support will be administered through the UI system, with payments and administration being handled within each State's UI structure.

SECTION III ONE-STOP CAREER CENTERS

A. STATEMENT OF PURPOSE

- ▶ The goal of this initiative is to establish a national framework within which all States can create Statewide One-Stop Career Center networks to provide workers, job seekers, students, and employers who are in need of new or different jobs or skills with streamlined access to a comprehensive menu of employment, education, and training information and services. This system will be customer-oriented, outcome-based, and provide flexibility for State, local and individual decision making.
- ▶ The objectives of the initiative are to:
 - Improve access of all job seekers and employers to the services available through all DOL programs and the myriad of Federal employment and training programs.
 - Improve the quantity and quality of information and related services offered regarding jobs, careers, education and training organizations and their outcomes, education and training program eligibility requirements, and available supportive services.
 - Increase customer choice by providing 1) sufficient user friendly information and assistance to users with which to make informed decisions about employment, careers and training; and 2) potential for choice among multiple One-Stop Career Center operators within a labor market area.
 - Use Federal funds under this Section as venture capital, to underwrite the initial costs of planning and developing or expanding Statewide One-Stop Career Center networks.
 - Build on and advance a range of promising State and local approaches to streamline and coordinate education and training services; improve labor market information; and encourage collaborative efforts to achieve this end.

B. INTENT

- ▶ The Secretary of Labor will support the development of One-Stop Career Centers that:
 - Afford a substantial degree of State and local flexibility and discretion in establishing and implementing One-Stop Career Centers.
 - Contribute to reinventing government by building on State and local capacity, requiring measurable goals, and offering flexibility in meeting these goals.

C. GENERAL REQUIREMENTS

- ▶ The One-Stop Career Center system under this Act must contain the following elements:
 - (1) **Universal Access:** All individuals and employers are potential customers of the Centers. Centers must provide easy access to core basic services.
 - Each Center must provide access to all individuals and employers and may, consistent with an approved plan, specialize in serving certain population groups.
 - (2) **Services:** Each center must provide a standard menu of core services including specific basic services and specific intensive services for eligible dislocated workers. In addition, other services may be provided at the option of State and local areas.
 - Customers must have access to all basic services at each One-Stop Career Center.
- [Issue: Must each Center operator have at least one physical location in the labor market area in which customers can get one-on-one personal service; or alternatively, should Center operators be required to demonstrate how all services, including those involving staff assistance, will be delivered in a "One-Stop" approach?]*

- (3) **Comprehensive:** Centers must be the sole deliverer of core basic services for Department of Labor-funded employment and training programs such as JTPA Title II and ES, and the sole deliverer of both core basic and intensive services for the worker adjustment program.
- (4) **Quality driven:** Centers must ensure that high quality services are delivered by being customer-based, competitive, and outcome-driven.
- (5) **High Integrity and Accountability:** Centers must provide: public accountability for funds and quality of services; confidentiality of client; employee and employer data; impartiality; equal access to services; and avoidance of conflicts of interest.
- (6) **Governance:** A governance structure must be created at the State and local levels to oversee the One-Stop Career Center system and to facilitate integration of other programs that use the center.

D. IMPLEMENTATION OF THE ONE-STOP INITIATIVE

- There are three ways that States may receive Federal assistance in implementing the One-Stop Career Center initiative: planning and development grants, implementation grants, and the granting of statutory and/or regulatory waivers.
 - During the implementation phase, to facilitate maximum distribution of One-Stop funds, use of these funds for physical structures will be prohibited.
- States may apply for grants or waivers to create a Statewide system of One-Stop Career Centers. This system may be built on an incremental basis over a period of time, e.g., three years, commencing with a community or communities which are most ready to implement the Centers. These local communities may not directly apply for these limited One-Stop Career Center funds nor waivers independent of their respective States.
- Collaboration and consortia will be encouraged in the development of the State grant application.

► **State Planning and Development Grants**

- The purpose of this grant is to assist States in planning and developing a comprehensive, statewide network of One-Stop Career Centers.
- Upon the State's application, the Secretary may award such a grant to the State in such amounts as the Secretary determines is necessary to enable it to begin planning and developing a statewide One-Stop Career Center system.
- The application shall include information such as an estimate of the time and amount of funding necessary to complete the planning and development to implement a comprehensive Statewide system, including incorporation of WACCs; a description of how State and local area officials will work together to develop the system involving employers, labor organizations and other potential customers/customer representatives; a plan to establish a State Human Resource Investment Council (HRIC) and local Workforce Investment Boards (WIBs); and a commitment to implement all essential elements of One-Stop Career Centers.

► **State Implementation Grants**

- The purpose of an implementation grant is to assist States in implementing a system of One-Stop Career Centers. Such grants may be awarded to States subsequent to the completion of plans developed pursuant to the Planning and Development Grants described above and to States that have planned for the One-Stop Career Centers without such assistance.
- The implementation grant application shall include information such as a plan for a comprehensive statewide system that meets the minimum criteria contained in the legislation, a description of how the State will ensure that the Centers are the sole deliverers of basic services for JTPA, ES, and EDWAA; the integration of DOL workforce development programs into One-Stop Centers and encourage other programs to become partners; a description of the chartering process for center operators, including a description of the state plan for ensuring that all residents have equal opportunity to access the services; and, the

performance measures, including customer satisfaction, that will be used initially until national performance standards are established.

► **Waiver Requests**

Any State may request a waiver of one or more statutory or regulatory provisions to further its progress in achieving the goals of the One-Stop Career Center initiative. Such waiver may be granted in conjunction with a grant under this Section or separately.

► **Approval Criteria**

- To obtain an implementation grant or waiver, a State must:
 - Implement the general requirements described under Section C. General Requirements.
 - Require DOL-funded employment and training programs (ES, Comprehensive Worker Adjustment Program, JTPA Title II) to utilize the One-Stop Career Centers for the core basic services.
 - Ensure that funds from these DOL-funded programs are provided for the core basic services.
 - States are strongly encouraged to integrate other non-DOL programs through collaborative efforts or development of consortia. Such efforts will be given special consideration in the grant application and waiver request evaluation process.
 - Have a governance structure in effect to oversee the State's One-Stop Career Center system.

E. CORE SERVICES

Each One-Stop Career Center must provide certain minimum core services.

There are two types of core services which will be provided through the One-Stop Career Center: basic services, which must be available

universally; and intensive services, which are required to be available for eligible dislocated workers and which may be provided to others, depending on funding sources. Each Center may enhance these intensive services depending on service needs of the local population and availability of funding sources (private and public).

- From the outset, all One-Stop Career Center operators will compete for customers. To attract customers, Center operators will focus on the provision of quality services.

(1) Basic Services

► The following services will be available to all individuals at no charge:

- Customer-oriented information on careers, labor markets, jobs, availability and quality of education and training programs;
- Filing initial UI claims;
- Department of Labor's Veterans' employment and training services;
- Preliminary assessment of skills, interests and aptitudes;
- Career exploration;
- Review of the eligibility requirements for DOL and non-DOL workforce development programs such as Pell grants and JOBS with referral for eligibility determinations as appropriate;
- Eligibility determination for and assistance in enrollment in all DOL-funded employment and training programs;
- Job search assistance, including self-directed resume preparation;
- Job referral, job development, and placement services; and
- Employer services, including applicant screening and recruitment.

[NOTE: One-Stop basic core services differ from dislocated worker basic reemployment services in several respects:

- WACCs will offer orientation to available information and services; One-Stop Career Centers will not;
- WACCs will offer career exploration and guidance; One-Stop Career Centers, will only offer career exploration;
- WACCs will review eligibility for all DOL-funded employment and training programs; One-Stop Career Centers will perform eligibility reviews for all workforce development programs; and
- WACCs will provide job search skills training; One-Stop Career Centers will offer job search assistance.

These differences reflect concerns about the availability of resources for serving the general public at no charge and the need for more intensive basic services for dislocated workers.]

One-Stop Career Centers will be the sole deliverers of basic services for DOL-funded programs such as JTPA Title II, ES, and the basic and intensive services for worker adjustment program. The Unemployment Insurance services remains the responsibility of the State, which will continue to determine how these services are delivered and will work with the Centers to develop methods of enabling customers to file UI claims in one stop.

- Funds from these programs which would otherwise be used to provide these core services must be made available to the One-Stop Career Centers for these services.

[Issue: To what extent can provision of core basic services be sub-contracted?]

(2) Intensive Services

- ▶ The following services will be available to eligible dislocated workers:
 - Diagnostic testing of skills and aptitudes and in-depth interviewing to develop appropriate employment goals and identify employment barriers;
 - Individualized counseling and career planning;
 - Preparation of a Reemployment Plan;
 - Assistance in the evaluation and selection of an appropriate provider of needed education, training and support services; and,
 - Reemployment bonuses through the UI system to eligible individuals in States which have this UI payment option.
- ▶ In addition to providing these services to workers who are permanently laid off, other Federal, State, and local programs may purchase these services with the agreement of the local governance board or in its absence, the Governor or other appropriate officials through the One-Stop Career Centers -- e.g., JTPA Title II.
 - Individuals may be charged fees for the provision of intensive services except that fees may not be charged for intensive services which dislocated workers or other program eligible (e.g., JTPA Title II) participants receive.

F. OPTIONAL SERVICES

- ▶ At the discretion of the State, additional UI services (e.g., eligibility reviews and continued claims) may be provided through the One-Stop Career Center to customers. These will be provided at no charge to the customer.
- ▶ At the discretion of the State and local areas, additional services may be provided for specific customers, employers, and job seekers. Fees may be charged for optional services unless the recipients are eligible

for these services under Federally funded programs or fee payments are available through other funding sources (e.g., other Federal, State or local programs; non-profit agencies).

G. SERVICE PROVISION

- ▶ Provision of core basic services will rely heavily on products which can be accessed through modern technology in order to promote self-directed access to these services.
- ▶ Core basic services must be accessible through each One-Stop Career Center, and staff must be made available to assist those who are unable to utilize the services themselves. It is envisioned that self-accessed services will also be available through a variety of technologies and media, and accessible at other outlets, such as kiosks, out-stationed computer terminals in community colleges, neighborhood service offices, JTPA offices, and UI offices.
- ▶ Core intensive services require more staff intervention and must be provided at One-Stop Career Center locations.

H. Performance Measures

- ▶ Performance measures will focus on outcomes related to the increased benefit to the customers (both individuals and employers) and the communities in which the Center operates. Outcome and performance measures for the individual programs (JTPA, Title II, Dislocated Workers, etc.) will remain with each program.
- ▶ **General Prerequisites**
 - Each center must utilize the minimum technical standards which guarantee the portability of State-developed systems and applications (see National Labor Market Information System, Section II). The technology will capture complex data which can be collected easily at all levels (Statewide, local, individual Centers).

- Data elements should be developed for the State, local, and center levels. Customers and organizations often have highly specific and discrete data needs (e.g., individual center performance). Easy-to-use and sophisticated information retrieval systems should be available universally.
- Integrity of data must be maintained at all levels to ensure accuracy and protect privacy.
- All data elements should be designed to provide ongoing feedback so that all processes in the One-Stop system will be able to improve continuously. Information about quality and innovation will be shared throughout the system so that benchmarks can be developed and best practices can become widely known.
- Standards must be rigorous, but must also reflect local demographics and resources.

► **Career Center Standards**

- Centers will be evaluated using a number of Federally designed measures. States and WIBs may develop additional measures to conduct continuous self-evaluation and quality improvement.
- Measures may include:
 - Ease of availability of information for all relevant programs through One-Stop access points (service centers, kiosks, etc.).
 - Comfort for all customers (disadvantaged, dislocated, students, employed, etc.) accessing the One-Stop system. Equitable services for all groups.
 - Quality of services and customer satisfaction.
 - Variety and numbers of local organizations, public and private, participating in the network of services to customers through the One-Stop Centers.

- Involvement of past and present customers in Center activities (job development, peer support, etc.).
- Innovative development of new products and services for employers.
- Outcome measures such as job placement rates for those customers who receive basic services only.

I. CHARTERING ONE-STOP CAREER CENTERS

► What is a Charter

- A Charter is a "Seal of Approval" that signifies Federal, State, and local criteria have been met for the operation of a One-Stop Career Center. This authorizes the Center operator to provide specific services and receive funding.

► Entities Eligible to Receive a Charter

- All eligible entities both public and private, for-profit and non-profit, may apply for a One-Stop Career Center charter, in accordance with procedures described below.
 - Consortia are eligible to submit applications for charters as a way to build on the differing expertise of existing service providers and to involve entities with additional expertise. (A consortium is any unit of government, public or private service provider, or combination of governmental units and service providers.)
- In each labor market area, One-Stop Career Centers will be operated by ES, or consortium of which it is a part, and/or for-profit and non-profit entities. All eligible entities must meet the chartering criteria.
 - For an initial phase-in period, any ES office (or consortium that includes an ES office) that meets the chartering criteria shall be chartered. During such period, other entities meeting the criteria may be concurrently chartered as described below.

► **Chartering Criteria**

The Department of Labor will publish the criteria for the chartering of Centers in the Federal Register. The Department will use a broad consultative process, including written comments, focus groups, and reviews of best existing business and service practices to determine the criteria.

- Federal criteria for obtaining a charter to operate a Center would include:
 - Demonstration by eligible organizations:
 - They can provide all core services and comply with all other operating requirements including labor market viability of One-Stop Career Centers.
 - They have wide customer access.
 - They can be honest brokers of education and training services for individual customers.
 - Honest broker means that the entity must demonstrate that it has established procedures for referring One-Stop Career Center customers independently and impartially to its ongoing services; and subsequent to award, it must document that it has performed in an impartial manner.
 - They can provide services to diverse types of customers, including disadvantaged, minority, or other hard-to-serve populations. Eligible entities may choose to focus services on particular types of customers, but may not exclude any group from their service plan.
 - Additional Federal criteria may include such elements as indicators of past performance, facility requirements, staff qualifications, coordination and linkages with other

programs and service providers, marketing plans, and financial management systems and other elements designed to ensure that the applicant has the ability to meet the general requirements described in Section III C. (1)-(5) "General Requirements."

- Additional criteria may be established by the Governor and by the WIBs that reflect particular State and local needs. These additional criteria must be consistent with the Federal criteria and cannot be used to reduce or eliminate legitimate competitors.

► **Who Issues the Charter**

- The Department of Labor develops the Federal Criteria.
- The State shall oversee the chartering process to ensure that it complies with all Federal and State requirements.
- The local Workforce Investment Board (see Governance section) shall manage the chartering of One-Stop Career Center operators and determine the number of charters to be granted based on a labor market viability assessment. Generally, this assessment would ensure that customers would always have a choice of two or more Center operators and that extra service capacity is built-in for each Center.
 - Subsequent chartering will be managed through the local WIB.

► **Frequency of Chartering**

- The Charter would be granted by the State and/or WIB.
- The term of the charter will be established by the State and/or WIB.
- If, during the term of a charter, an operator is not achieving adequate performance or is in violation of administrative requirements, the charter will be revoked by the local WIB in coordination with the local elected official.

► **Funding**

- The Department shall design a method of funding which enables existing DOL-funded program dollars for core services to be available to the One-Stop Career Centers. Consideration shall be given to allocating these resources in a manner that recognizes both the number of customers served and the quality of services provided.

[Issue: What method should be used? Two options are under consideration.]

- Option 1: Under a phased-allocation formula, the ES or Consortium of which the ES is a part will be guaranteed a substantial percentage of the State's labor exchange resources which will decline over the specified transition period.

A smaller portion of labor exchange funds and a portion of the JTPA Title II and dislocated worker funds will be available to reimburse other chartered operators based on the number of customers served.

At the end of the transition period, the ES, or the Consortium of which ES is a part, will compete for its resources -- on an equal competitive basis -- with all other chartered center operators.

- Option 2: A method to allocate funds to Center operators using a "base-supplemental/incentive approach." Under this approach, each chartered entity would receive some initial allocation of resources. This initial allocation would be supplemented based on such factors as the number of customers served and the quality of services provided.
- The U.S. Employment Service shall continue to administer reimbursable grants (e.g., TJTC, Labor Certification) with funding as provided for through the ES Cost Reimbursable Grants.

J. TRANSITION PROVISIONS

- ▶ **Transitioning from Worker Adjustment Career Centers (WACC'S) to One-Stop Career Centers (OCC'S)**
 - States initially will have the option of deciding whether or not to apply for One-Stop funds and/or waivers to establish One-Stop Career Centers (OCC's) at the same time that they set up a network of Workforce Adjustment One-Stop Career Centers (WACC's) for dislocated workers. This network of WACC's must be in place by July 1995. If a State decides it wants to convert its network of Workforce Adjustment One-Stop Career Centers to One-Stop Career Centers after this time, it will have to meet all of the same basic requirements that would have applied if it had decided to implement One-Stop Career Centers simultaneously with the dislocated worker program (e.g., governance structure, universal access, standard menu of core basic services, quality driven etc.).
 - Any competitively chosen WACC operators which have met their performance objectives will be automatically chartered as OCC's for the remainder of their WACC contract period.

K. GOVERNANCE

A governance structure must be in effect at the Federal, State and local level to oversee the One-Stop Career Center network and to facilitate integration of other programs that use the centers and to ensure development and distribution of the national labor market information system products.

- ▶ **Federal Roles and Responsibilities**
 - Develop a national logo and name which will be used to identify all One-Stop Career Centers as part of the nationwide Workforce Investment System. The purpose of this national identification is to enable customers to more readily identify and access One-Stop Career Centers in any State in any location.

- Conduct program planning and oversight activities to ensure the effectiveness of the One-Stop Career Center system and workforce investment programs.
 - Establish basic criteria for chartering One-Stop Career Centers.
 - Establish a system of outcome measures and performance standards as a basis for evaluating the success of the One-Stop Career Centers (See Section H).
 - Prescribe performance measures and develop a performance standards approach relating to One-Stop Career Centers. Such measures shall be based on factors the Secretary deems appropriate (see Section H).
 - Regularly evaluate the effectiveness of the measures.
 - Provide Federal direction and technical assistance where needed and allow flexibility at the State and local levels where possible.
 - Establish procedures and criteria for awarding grants to States for planning and implementing statewide One-Stop Career Center systems and a process for granting waivers and other strategies to remove barriers to effective program integration at the State and local levels.
 - Execute a Partnership Agreement with each State, local elected officials, and each Center receiving a grant or waiver to describe responsibilities at each level of government to support the delivery of high quality services to Center customers.
- **Governor/State Roles and Responsibilities**
- In conjunction with local bodies and representatives, the Governor establishes a Statewide network of One-Stop Career Centers.
 - Designate a State agency to receive Federal funds for One-Stop Career Centers and to oversee the network of One-Stop Career Centers established in the State.

- Establish an approach for funding One-Stop Career Center core services, including the process for accessing funds under JTPA, worker adjustment program, and ES for services provided through the One-Stop system at the substate area level.
- Designate labor market areas for the State (in conjunction with local elected official(s)) which shall be the basis for the local WIB's jurisdiction and the area within which One-Stop Career Centers will be chartered. Labor market areas designated for the worker adjustment program shall also constitute the labor market areas for the One-Stop Career Centers.
- Certify that the Workforce Investment Board meets all State and Federal requirements.
- Serve as the focal point to collect and distribute new labor market information, including information on customer satisfaction and on performance of education and training providers in the labor market areas.
 - Follow the procedures established under the worker adjustment program for the publication of such information and the disqualification of service providers that do not comply with law, refuse to provide accurate and timely information, or fail to meet minimum performance standards.
 - Establish a process to appeal such disqualification.
- Establish performance standards for each Federally established measure. States may develop additional statewide measures and standards.
 - Obtain the data that are necessary for the development of such standards.
 - Implement initial standards no later than one year after implementation.
- Establish a system to oversee the chartering of local Center operators, including additional criteria for Center selection and chartering to reflect specific State requirements and/or

recognition of diversity of local labor markets. These criteria, however, may only augment, and not substitute for, the criteria for chartering required by Federal law and regulations.

- Provide general oversight and technical assistance, including capacity-building, to the One-Stop Career Center system to ensure that quality services are being delivered within the statewide network.
- Enter into a Partnership Agreement with DOL, local elected officials, and the Centers which describes roles, responsibilities, and expectations for each.
- Establish a Human Resource Investment Council (HRIC) to direct the development and implementation of a statewide workforce development strategy.

[NOTE: Under current JTPA law, Governors are encouraged, but not required, to establish HRICs.]

► **Local Roles and Responsibilities**

- A Partnership Agreement between DOL, the State, and local elected officials will be developed which describes the support to be provided to the Centers, the responsibilities of each party, and the expected outcomes.
- Local elected official(s) shall establish a Workforce Investment Board (WIB) for each labor market area.
- The membership of the WIB is to be drawn from business, labor organizations, education and training, local government, and other interested parties.
- The WIB is responsible for broad strategic planning and oversight for DOL funded and other Federal, state, and local workforce development programs operating in the area. The WIB will serve as the key agent in a labor market to identify training needed for jobs in demand occupations, jobs of the future, and to ensure that unnecessary training is not occurring.

The WIB will have an independent staff to help carry out these activities. The board is not intended to carry out operational, daily management functions.

[Issue: Should the board have the flexibility to assume operational responsibilities?]

- The WIB will guide Department of Labor-funded employment and training programs (excluding UI), develop a local Customer Service Plan (CSP), determine the number and location of the centers, and establish quantifiable program outcomes consistent with Federal and State guidelines.
- The WIB is responsible for establishing a quality assurance/customer feedback mechanism for each center through which candid, unfiltered customer feedback may be obtained. This shall include the establishment of customer service panels for each center which will provide information and feedback on the representatives experiences at the center and the quality of services delivered by the center. It may also include mechanisms such as focus groups or surveys.
 - Panel membership should reflect balanced representation of center customers, including workers, students, unemployed persons, and employers. Panel membership may not include anyone engaged in or having a financial interest in the provision of employment, training, or education services.
 - WIBs replace separate, governing boards at the local level for at least DOL funded programs, e.g., JTPA, ES, EDWAA.
- The WIB may establish additional criteria for Center chartering which reflect special recognition of particular local labor market needs and requirements. These criteria, however, cannot annul or dilute previously specified Federal or State criteria.

L. WAIVERS

- ▶ At the Governor's request, the Secretary of Labor may waive any law or part thereof, or regulation or part thereof, except as provided below, applicable to any program administered by the Department of Labor, Employment and Training Administration, which is included in the One-Stop Career Centers.
 - If, and only to the extent that, the Secretary determines that such requirement impedes the ability of the State to carry out the purpose of this Act.
 - If the State has waived, or agrees to waive, similar requirements of State law.
 - If the State has met all the requirements of the Act and implementing regulations.
- ▶ The Secretary shall act promptly on any waiver request.
- ▶ Waivers would not be approved to change the purposes or goals of the affected programs, alter individual eligibility requirements for program participants, modify the allocation of program funds to State or substate areas, or alter any law with regard to public health or safety, civil rights, occupational safety and health, or environmental protection.

[Issue: Should waiver authority be further restricted -- JTPA Title II minimum requirements of reaching the hard-to-serve, or program specific performance standards? Enumeration of specific statutory provisions to be included, JTPA, Wagner-Peyser, etc.? Should there be a not-to-exceed time limit for the waiver period? Should the Secretary reserve the right to terminate the waiver?]

M. ADMINISTRATIVE PROVISIONS

Under development.

N. AUTHORIZATION AND ALLOTMENT OF FUNDS

- ▶ Under development.

SECTION IV NATIONAL LABOR MARKET INFORMATION SYSTEM

A. STATEMENT OF PURPOSE

- ▶ The Secretary is authorized to develop and implement a coherent national labor market and occupational information strategy that meets the needs of American employees, workers, students, and other job seekers.
- ▶ The Secretary is authorized to use funds available under this Act as well other appropriated funds to develop and implement this system.
- ▶ The National Labor Market Information System under the Workforce Investment Strategy builds on existing products and capabilities at the Federal, State and local levels. The approach will ensure that labor market information products are widely collected, distributed, and continually updated and are newly developed as necessary. The Department of Labor will assist the development and implementation of data collection and analysis of labor statistics and occupational information, and identify technology which is beneficial in the organization, dissemination and use of these data.
- ▶ This initiative will utilize proven and emerging technologies and computer applications to convert information into customer-friendly and self-service tools. These tools will be made available to both customers and staff in Workforce Adjustment Centers and One-Stop Career Centers.
- ▶ The Secretary is authorized to identify the labor market information networking requirements of and technical standards for the Workforce Adjustment Career Centers and One-Stop Career Centers.
- ▶ The Secretary will consult with other Federal agencies as appropriate, to coordinate the activities described in this Section with other relevant institutes, centers, clearinghouses, and dissemination networks with a capability and interest in providing quality labor market information to job seekers and employers.

B. FUNDING

- ▶ National grants under this initiative will be provided to State and local areas and other entities for enhancing current systems and developing improved labor market applications. The Department will utilize funds from both the One-Stop and Worker Adjustment Career Center initiatives to improve the scope and quality of all information products as well as from other available DOL fund sources.
- ▶ The Secretary is authorized to enter into contracts, interagency agreements, or memoranda of understanding with private corporations and Federally-funded national laboratories. These arrangements should expedite the implementation of the National Labor Market Information System by providing technical assistance, developing prototypes, and creating open-system models.
- ▶ The Department will also identify other Federal fund sources (e.g., Departments of Education and Defense) which currently support -- or may augment -- the National Labor Market Information System. Most significant new LMI investments will build on existing Bureau of Labor Statistics programs operated by the State Employment Security Agencies as well as the products and systems of the National Occupational Information Coordinating Committee (NOICC) and the State Occupational Information Coordinating Committees (SOICC).

C. SYSTEM CHARACTERISTICS

- ▶ The Secretary will define the major elements of the National Labor Market Information System and the general results needed to ensure customer access, choice, and decision-making capability. State and local labor market areas will have maximum flexibility to tailor these products and services to best meet their customer expressed requirements. Federal and State elements will include labor market information publications, contents of public access data bases, information specifications and standards for the multi-media kiosks to ensure consistency within and across State boundaries.
- ▶ The Secretary will set forth the necessary minimum technical standards (including open-system architecture specifications and current ANSI, CITT and ISO standards) in order to guarantee the portability of State- or local-developed labor market information systems and applications which have potential benefit for customers in other States.

- ▶ The Secretary will provide technical assistance (through private contractors, national laboratories, NOICC, and SOICCs) to State and local staff in the implementation, expansion and quality improvement of this system.
- ▶ The following major elements will be produced through the National Labor Market Information System:
 - High quality State/local labor market and occupational information;
 - Information on the local economy; available job opportunities; and, available employment and training programs and services;
 - Eligibility requirements for programs and services;
 - Consumer reports on the local education and training service providers;
 - Customer satisfaction surveys;
 - Automated eligibility screening systems; and
 - Automated job banks.

SECTION V

ADDITIONAL PROVISIONS

► **WARN Amendment**

- The Worker Adjustment and Retraining Notification (WARN) Act would be amended to lower the threshold that requires an employer to give advance notice for a mass layoff. Change threshold to eliminate the one-third requirement and require notice of any layoff of 50 or more workers.

[NOTE: Current law triggers "mass layoff" notification when there is an employment loss at a single site of employment during any 30-day period of 33 percent of full-time employees and at least 50 workers, or of at least 500 employees. Alternatives are to: (1) eliminate the one-third requirement and lower the threshold to 25 workers laid off in any facility (Senator Metzenbaum's and Congressman Ford's proposals); retain the one-third and 50 workers requirement and reduce the 500 employees threshold; or (3) reduce the percentage so that many large layoffs are not WARN-exempt.]

- **Transition provisions, including extension and phase-out of TAA**
- **Effective Date, Repealers.**
- **Amendments to other Acts.**