

REFORM AND STREAMLINING OF EDUCATION AND TRAINING PROGRAMS FOR ADULTS

TABLE OF CONTENTS

	<u>Page</u>
I. Summary	2
II. Background and Context	4
III. Problems of the Current System	5
IV. Principles to Guide Reform	7
V. Current Administration Policies	8
VI. Policy Options	9
VII. Appendices	12

I. SUMMARY

"We simply must streamline today's patchwork of training programs." President Clinton

- o Federal job training and employment programs do not meet the needs of workers or employers. Without major reform, the continued growth of the economy and competitiveness of American industry may be threatened.
- o Changing the many programs into a national system of linked strategies has been discussed many times but never seriously attempted.
- o The Administration is working toward such a system through a subgroup of a cabinet working group on Education, Training and Reemployment.
- o Principles and themes to guide action:
 - Coherence and user friendliness;
 - Incentives for lifelong learning;
 - Consistent quality and performance standards;
 - Access for groups with special needs;
 - Leveraging individual, private sector and State/local resources and behavior;
 - Creative use of new technology.
- o Among the many program options under consideration:
 - Shaping legislation for Vocational Education, JTPA, the Employment Service, postsecondary student aid, and perhaps a new bill around the new principles.

- Requiring uniform standards of accountability.
- Creating a new decision-making mechanism in the Executive Branch to tie programs of many agencies into one system.
- Devising a "Lifelong Learning" strategy.
- Creating incentives for more and higher quality training by business.

II. BACKGROUND AND CONTEXT

- o Workers have less and less firm-specific job security, need better skills and knowledge for new job opportunities, but find no national system to help them learn where the jobs are, what skills are needed, or to help them get those skills.
- o Additional years of postsecondary education yield higher earnings.

<u>Years of Education</u>	<u>Average Male Earnings, 1979-1989</u>
Less than 12 years	\$22,029
High school graduate	\$30,719
Some college	\$35,211
College + (BA or above)	\$53,378

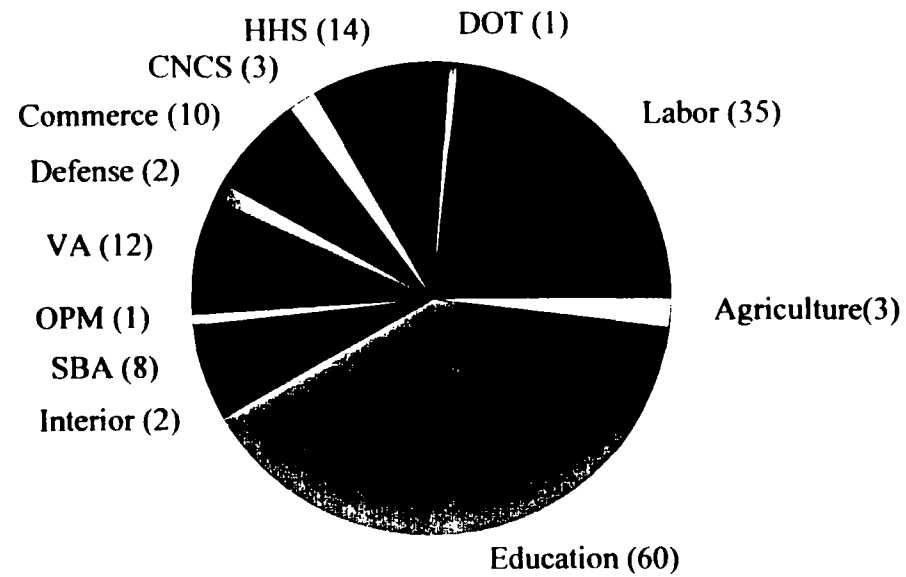
source: NCEP, April 1994.

- o GAO counted 154 Federal employment and training programs which spent \$28 billion in FY 1994. [Appendix A3]

- o Past efforts to reform and streamline the program structure have been confined to DOL activity, and paralleled by further program proliferation. New analyses and new interest in streamlining have generated more interest since 1991. [See Appendix A and A4: Highlights of Program and Streamlining History]
- o The Cabinet-level Education, Training, and Reemployment Working Group (ETR), has a subgroup led by OMB on program quality and streamlining [Appendix B: ETR paper]. The subgroup:
 - has defined the problem (Section III);
 - is developing guiding principles or themes for reform (Section IV);
 - and has identified program directions (Section VI).
- o Congress may have a reform agenda this session. Senators Kennedy and Kassebaum have devised principles for reform, are collecting data from the major agencies, and plan hearings and perhaps a bill later this session. Cong. Goodling is pressing a consolidation bill [See Appendix A].

The ETR subgroup is working on the short term response to Kennedy and Kassebaum, but its primary focus is on a major Administration reform proposal for the next Congress.

GAO List of Programs by Agency



III. THE PROBLEMS OF THE CURRENT SYSTEM

o Complexity

- GAO's 154 programs cost over \$25 billion, and are administered by nine cabinet departments (ED has 60; DOL has 35) and three other agencies. [Appendix C: GAO list]
- Programs target multiple, overlapping groups as if they were different populations, but in fact many share multiple characteristics (e.g., unemployed, disadvantaged, disabled, dislocated, veteran, young, immigrant).
- Programs in the same labor market use different deliverers (schools, multiple state agencies, local governments, non-profits, for-profits, individuals) for the same services without obvious reason for the differences.
- Programs fund similar services, but have different, unconnected purposes (economic development, access for disadvantaged, retraining, improving education/training systems) that make coordination near impossible. Statutory coordination "requirements" are not effective.
- Programs have no common basis for judging effectiveness. Most are never evaluated for net impact on earnings, skills, or productivity improvements.

o Lack of demonstrated effectiveness

- The recent JTPA study found no firm evidence that classroom training increased the future earnings of men or women. Overall, on job training was the most successful service strategy, but is a small portion program spending. In JTPA youth, the study found no evidence that any of the service strategies increased total earnings. Only Job Corps has ever shown positive results for youth.
- Virtually no other major program has evaluations of the quality of the JTPA and Job Corps studies. Some small projects show positive results; none is of national scope.

- No major program has a mechanism to ensure that skills imparted are up to date and will lead to employment.
- Hundreds of millions in fraud and waste have been found in ED's student financial aid.
- High rates of non-completion are common.
- Effective use of technology to enhance learning is not common.

o Inadequate leverage

- States. Some programs (Vocational education) do encourage States to adopt innovations and program improvements; but there is little evidence of consistent effective leveraging.

Most JTPA and ED student aid is 100-percent Federally funded; no matching or other requirements generate additional resources.

- Individuals. The programs reaching the most people, ED's student aid, are strictly financing mechanisms. There is some evidence of impact on influencing postsecondary enrollment, but little on retention or attainment.

Aside from some counseling in some programs, there is little attempt to influence choices that would maximize future job prospects or earning.

- Private sector. There are virtually no incentives, including the Targeted Job Tax Credit, that materially affect business training and hiring practice.

IV. PRINCIPLES AND THEMES TO GUIDE REFORM

- o The problems of the current system indicate the need for a set of reforms aligned with the following principles:

Reduce complexity:

1. The system should be coherent and user friendly. Federal programs should relate efficiently and effectively to one another, and to State and local and private sector activity, so that individuals gain access readily and receive high quality benefits.

Improve effectiveness:

2. The system should provide incentives for lifelong learning. Adult workers should understand the benefits of additional postsecondary education and training, and how to use Federal and other resources and services to increase earnings and get new and better jobs.
3. The system should deliver high quality services and be built on high performance standards. Individuals should be assured of high quality training and education that makes a positive difference in earnings and employment.
4. The system should ensure access for groups with special needs (economically disadvantaged, disabled, limited English speaking, immigrants, et al).

Increase leverage:

5. The system should leverage improved training and education through partnerships with others: the private sector, states and local entities.
6. The system should leverage improved training and education through creative use of new technology.

V. CURRENT ADMINISTRATION POLICIES

- o Administration bills proposed or enacted to date lay the foundation for reform of education for the young, but only partially address the needs of adults.
- o Head Start, Goals 2000, School-to-Work, and reforms pending for Title I of the Elementary and Secondary Education Act, over time should raise the overall quality of K-12 education and the preparation of young people for the workforce.
- o The pending Reemployment Act would consolidate six dislocated worker programs, begin to create a single point of entry for DOL training programs through One-stop career centers, improve the quality of labor market information, and provide limited State waivers. [Appendix D: Reemployment Act details]
- o JOBS. The proposed work and training components of welfare reform would make mandatory the inclusion of JOBS in one-stop centers in any State that adopts the one-stop REA approach.

VI. NEW POLICY OPTIONS

- o Just reducing the number of programs and complexities would make program delivery more efficient, if not necessarily more effective. But the emphasis in the options is on changes to make substantial improvements in the results for individuals and, therefore, for the larger skills, productivity and earnings goals.

Options generating the most debate are shown separately.

A. Options to achieve coherence and reduce complexity

- o Options include: repeals of unfunded authorities and those proposed for termination; legislating common definitions and rationalizing eligibility rules (very contentious); expanded use of waivers; mandated use of one-stop centers for more programs; program consolidations; requiring an interagency strategy for research, data collection, evaluation and technical assistance systems; and:
 1. Human Resources Investment Board. A cabinet level body (DOL/ED/HHS) with authority to change programs as needed to improve and coordinate activity and perhaps make decisions on state waiver recommendations.
 - o Such a Board could be the mechanism for real strategic decision-making across agencies, but its relationships to individual agency authorities, and to other Executive Office decision-making processes (the Budget, DPC) are not yet clear. Senator Kassebaum proposes an outside, "base-closing commission" type Board to force program consolidation.
 2. Administrative consolidation at the State level. Permit States to choose administrative mechanisms, instead of "single state agency" and other such requirements, and retain any their savings for programs.
 - o Not a waiver, but rather a way-station on the path toward program consolidation, much like the Board at the Federal level. Program goals and accountability for performance are not changed; administrative simplification is authorized. Interest groups would strongly oppose.

3. One-stop career centers. Move from REA's slowly phased one-stop approach to rapid conversion of the \$1 billion Employment Service system to the one-stop model.

- o Challenging the ES head-on was decided against in REA development last year, but may be the most direct route to a basic element tying together a coordinated national employment and training system.

B. Options to improve quality and effectiveness

- o Options include: require training to be only in schools approved by ED's institutional integrity ("Triad") system; extend ED's institutional integrity reach to non-traditional providers, like community organizations and in-firm training facilities, in exchange for eligibility for Federal aid to trainees; require the soon to be generated knowledge and skill standards to be used in Federally-funded training; align reauthorizations for programs for the disabled with Goals 2000; and

1. Perkins Act Vocational Education. Propose a reauthorization to align Perkins with Goals 2000 and School to Work, perhaps ending traditional support for vocational education institutions; fund intermediaries between schools and businesses to facilitate school to work connections.

2. ITPA. Propose major changes to respond to evaluation findings on effectiveness and break bureaucratic barriers across service delivery area. More use of vouchers for adults; better performance accountability.

3. Student aid reform. Refine aid packaging to ensure that youth and adults know and believe in funds availability, and know how and why to invest in their education; devise a workable approach to financing training in for-profit schools and other non-degree training and education.

4. Adult education. Propose links with job training and other adult service programs; require outcome standards; develop and disseminate new learning technologies.

5. Uniform standards of performance and accountability. Building on a NGA project, make all similar programs meet and be judged (for local project funding renewal; national program funding and reauthorization decisions) by similar standards.

C. Options to improve access of groups with special needs

- o Options include aspects of many of the items in A, B and D, especially lifelong learning and the program reauthorizations, and

Youth strategy. Based on the negative findings of the JTPA youth program evaluation, legislate a strategy tying together resources from JTPA, YES (pending), Youth Fair Chance, Ounce of Prevention and other proliferating programs, with special attention to welfare reform proposals.

D. Options to leverage individual, State and local, private sector behavior

- o **Individuals:** Increase use of loans, especially with income contingent repayment option, to generate more investment in personal skills and earnings improvements (and save money, vs. more costly grants); allow UI extended benefits payments while in training; and

Lifelong learning accounts. Package existing grant and loan entitlements, plus a new component (perhaps tax deductions offset by cutting subsidies for employer paid parking) to deal with short term training for incumbent workers.

- o **States and localities:** Matching and other incentives to link receipt of Federal funds to changes in use of State and local funds (but no unfunded mandates).
- o **Business incentives:** Tax credits; a training "levy" to generate training for lower level workers or be paid as a tax; loans or loan guarantees to facilitate business financing of training (Gunderson and Sallie Mae proposals); and

"Baldrige"-like award for quality training. By showing the connection to market success, showcase companies that have high quality employee training as part of their business strategies.

VII. APPENDICES

A. Program Reform and Streamlining History and Context

- A1. Bush initiatives
- A2. Reemployment Act fact sheet
- A3. GAO program list
- A4. Kennedy and Kassebaum floor statements
- A5. Summaries of House and Senate bills

B. Education, Training and Reemployment subgroup working paper, June 6, 1994

APPENDIX A. PROGRAM REFORM AND STREAMLINING HISTORY

- Major efforts to rationalize the Federal system of employment training have occurred once or twice a decade for the past 30 years, in reaction to economic slumps or revelations of program mismanagement, duplication, or ineffectiveness. These efforts have led to cycles of program proliferation, followed by program consolidation (CETA in 1974; JTPA in 1982), followed by more program proliferation. The political system inevitably reacts to evidence of unserved populations, or mismatches between peoples' skills and jobs, by creating narrowly targeted programs, then trying to coordinate them.

Reforms address the Federal programs: none has meaningfully dealt with private sector training or incumbent workers.

- We are in another period of reassessment: there is a declared desire to coordinate the numerous and far-flung Federal programs. This time, there is an urgency from concerns about U.S. capability to compete internationally, falling real wages, and a growing gap between the well-educated and poorly educated workers.

Executive branch initiatives

- In April 1991, President Bush's Chief of Staff convened a cabinet-level working group to address the issues. The work resulted in 1992 legislative proposals, never enacted: "Job Training 2000" to require common quality standards for institutional training and one-stop referral to jobs and training [Appendix A1: fact sheet]; and "Lifelong Learning", to establish a small non-Federal loan program through Sallie Mae for older workers.
- In 1993, Congress enacted an Administration bill with a new approach to linking new workers to jobs ("The School to Work Opportunities Act") and a new set of approaches to raising the overall quality of the public education system ("The Goals 2000 Educate America Act"). Both are long-term, systemic improvement initiatives with payoffs expected some years out.
- In the summer of 1993, OMB convened the Departments of Education and Labor to analyze the quality and consolidation potential of "postsecondary" programs—those for individuals out of the elementary and secondary education (K-12) system.
- In 1993, the Administration also sent to Congress its "Reemployment Act" (REA), which would consolidate six small programs for dislocated workers and fund one-stop labor exchange and training referral centers that might compete with the ES to generate program improvements. [Appendix A2: REA fact sheet]
- ED, DOL and HHS, with foundation support, are funding a six-State project managed by the National Governor's Association (NGA) seeking common

approaches across training programs, including common accountability measures and data collections.

Efforts in the current Congress

- o GAO has launched a series of reports on the training program [Appendix A3: GAO list]. While some overstate or oversimplify the issues, the reports are receiving a lot of attention and support for the underlying recommendation for a major reform effort.
- o During Senate consideration of the REA, Senators Kennedy and Kassebaum have come together to push the idea of much faster and broader program consolidation than REA would accomplish.

Senator Kassebaum introduced S. 1943, which would sunset the major program authorities in two years, give States maximum flexibility to experiment in the interim with alternative program structures, and set up a commission to propose the new structure. The commission follows the base-closing model: its recommendations would take effect unless Congress voted to do something different. Senator Kennedy has not endorsed S. 1943, but he and Kassebaum have launched a process of data gathering (questionnaires to ED, DOL, HHS due back mid July), hearings, and consultations, with the notion of a new bill late in the session. The future of REA in the Senate is not clear. [Appendix A4: Kennedy and Kassebaum floor statements]

Kennedy and Kassebaum have identified their draft "principles":

- The system should be based on the needs of job seekers and employers.
- The system should be readily accessible.
- The system should focus on performance.
- The system should provide flexibility and responsibility to the States and local communities.
- The system should be based on local labor market needs and involve the private sector.

In the House, Congressman Goodling has proposed a grand consolidation of the programs on the GAO list into seven block grants. Chairman Ford has not endorsed this; he is moving the REA for the Administration. [Appendix A5: bill summaries]

Current Administration efforts

- o In February, 1994, Chief of Staff McLarty convened a cabinet-level working group on "Education, Training and Reemployment" (ETR). The topics for its working

subgroups include: Overcoming discrimination in the workplace; Improving skills and opportunities for incumbent workers; Improving the productivity of learning; Improving productivity in the service sector; Helping the nation understand and accept the changing economy.

- o Another subgroup of the ETR, led by OMB, follows on the 1993 OMB/ED/DOL group's work. Its focus is on improving the quality and structure of training and labor exchange programs in order to raise skill levels, improve productivity, and increase real earnings. The goal is a significant proposal for the next Congress.
- o An OMB analysis of the major programs and possible directions for reforms was presented to ED and DOL in April, 1994.

ED and DOL responded in May with a revised paper that is now the basis for further discussion. That paper was further revised to incorporate program options, which are now being developed further [Appendix B].

Consensus was reached on problem; relevant evidence (or the lack thereof); the effectiveness of the major programs. Policy and program options are being debated.

The President's FY 1993 Budget

JOB TRAINING 2000

Overview: Federally-funded vocational education and training programs supplement private sector workforce development investments. Individuals who need access to jobs and training through the Federal system face an uncoordinated maze of programs and services. This existing program structure does not meet the demands of the changing work place and competitive economy. Job Training 2000 would create the market-driven, effective, and efficient system essential to a dynamic economy.

Summary Highlights (funding table attached)

THE CURRENT PROGRAM STRUCTURE:

- o More than 60 programs administered by seven Federal agencies offer vocational education and job training at a cost of about \$18 billion each year. \$12 billion is not effectively utilized for overlapping populations and services.
 - Services are disjointed, administration is inefficient, and individuals do not get good information on jobs, skill requirements, or the quality of training.
- o Weak quality controls have allowed hundreds of unscrupulous proprietary institutions to take billions of dollars in student aid subsidies without providing effective training.
- o Except for the Job Training Partnership Act (JTPA), Federal programs do not have a way to get effective input from local employers--the source of jobs.
- o Youth and adults seeking training and jobs face a complex, incoherent, uncoordinated maze.

THE JOB TRAINING 2000 SYSTEM:

- o Private Industry Councils (PICs), originally created to administer JTPA, would be expanded and modified to manage and coordinate \$12 billion in Federal resources.
 - **\$4.1 billion under direct PIC control:** Training and summer youth funds from JTPA; funds now allocated for the Employment Service; Job Corps recruitment; Food Stamp employment and training; postsecondary vocational training under the Perkins Vocational Education Act.
 - **\$7.6 billion coordinated through PICs:** AFDC/JOBS; Pell grants, Guaranteed student loans and other Education Department student aid for vocational training; training funded through Rehabilitation services;

Veterans vocational training; JTPA dislocated worker program; Perkins Act "Tech-Prep" projects.

- o \$7.2 billion would be in voucher form; \$2.2 billion in new vouchers; \$5 billion from Pell and GSL in voucher form.
- o The Employment Service would be restructured and its resources incorporated into Skill Centers. (Certain activities, such as veterans employment services, would continue as adjunct activities of the Skill Centers.)
- o These "one-stop shopping" Skill Centers would replace the many uncoordinated entry points that the programs now have in each community. Skill Centers would offer testing, counseling, and job market information, referral to jobs and vouchers for PIC-approved education and training programs.
- o Working with State agencies, PICs would approve all training programs based on training quality, reasonable cost, student experience (program completion rate, job placement, job retention and loan default rates) and employer satisfaction.
- o Only participation in certified training programs would be funded by any major Federal program.
- o PICs would have resources to contract for services in areas with few training opportunities, where programs are unable to serve the disadvantaged effectively, or where necessary to provide support services for the disadvantaged.
- o Financial incentives will make training institutions accountable. At least 20 percent of the payment a training institution would otherwise receive (excluding student living expenses) would be paid only when the trainee completes the program and holds a job in the field of training for at least 90 days.
- o The transition of young people from school to work would become more efficient through skill standards and youth apprenticeships. A nationwide system of apprenticeships would tie to voluntary industry skill standards. Students could make agreements with the school, employer and parents for a structured combination of academic instruction, classroom skill training, paid on-the-job training, work experience, and mentoring. Fair Labor Standards Act changes would allow training wages in approved programs.
- o To help AFDC recipients get jobs, pilot projects will try incentives to for-profit companies to train and place AFDC clients in jobs; and test providing lump-sums to recipients who work their way off AFDC. The President's health plan would eliminate loss of health care coverage when AFDC recipients work; their health insurance credits would help cover employer health insurance costs.

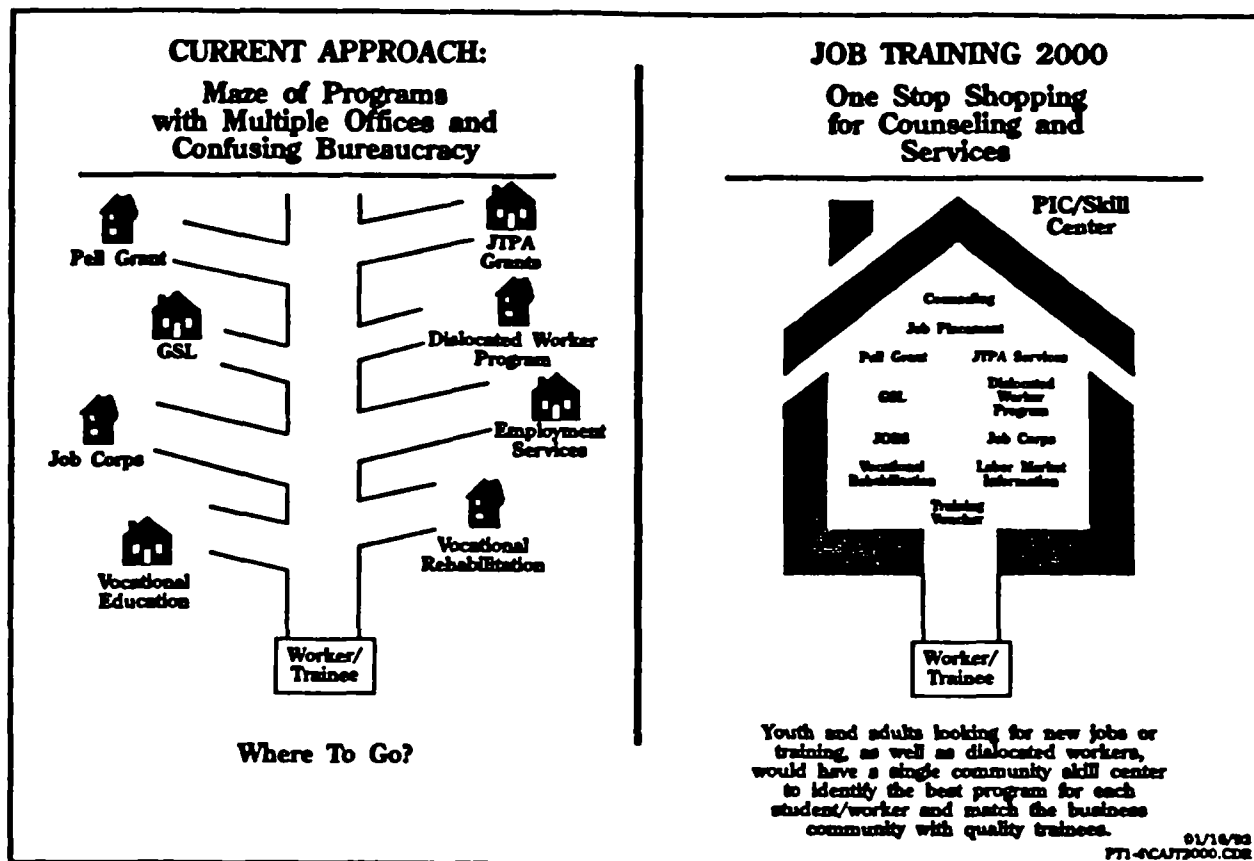


Table 4-11. RESOURCES FOR JOB TRAINING 2000

(Budget authority; dollar amounts in millions)

	1993 Proposed
I. Direct PIC/Skill Center Resources:	
Training vouchers	1,204
Training and support service contracts	472
Administrative grants to localities	275
Job Corps recruitment	40
Skill center operations	2,102 ¹
Veterans employment service, other	90
Total	4,110
II. Programs coordinated through PICs:	
AFDC/JOBS	1,000
Pell grants for vocational training	2,395
GSL for vocational training	2,524
Other student aid for vocational training	100
Vocational rehabilitation training	400
Veterans vocational training	495
"Tech-Prep" 4 year programs	100
JTPA title III dislocated worker program	577
Subtotal	7,591
Total	11,701

¹ Includes: \$1,025 million from JTPA Title II; \$396 million from Perkins Act postsecondary vocational training; \$100 million from Food Stamp employment and training; \$683 million from summer youth program.

² Includes: \$471 million from the Employment Service; \$58 million from Food Stamp employment and training.

**FACT SHEET
REEMPLOYMENT ACT OF 1994**

Overview

Creates a comprehensive system of reemployment services, training, and income support for dislocated workers.

Lays the groundwork for a network of one-stop career centers that serve as a common point of access to education and training and employment services for all workers.

Develops a national labor market information system.

Detail

Title I: Comprehensive Program for Worker Reemployment

- o Discretionary program; authorizes \$1.465 billion for FY 1995. [Budget includes \$9.9 billion over 5 years.]
- o Consolidates six current DOL programs for dislocated workers:
 - EDWAA,
 - Defense Conversion Adjustment,
 - Clean Air Employment Transition Assistance,
 - Defense Diversification Program,
 - Trade Adjustment Assistance, and
 - NAFTA Transitional Adjustment Assistance.
- o Program open to permanently laid-off workers (recall not expected within 26 weeks), the long-term unemployed, and displaced homemakers.
- o Provides a comprehensive set of reemployment services, including: rapid response services for mass layoffs and plant closings, basic job search assistance services, intensive career planning and guidance, long-term training, and support services.
 - Up to \$4,750 a year for training; duration limited to no more than 2 years.
 - Relocation assistance, out-of-area job search allowances, and support services available.

Title II: Retraining Income Support

- o Establishes a capped entitlement of income support for permanently laid-off workers in long-term training.
 - Beginning July 1, 1995, workers with at least 3 years of job tenure will be entitled to 52 weeks of income support to complete training. (Workers with 1-3 years of tenure may get up to 26 weeks of income support out of the discretionary Title I program.)
 - Beginning in FY 2000, all workers with at least 1 year of job tenure will get income support out of this mandatory account: 26 weeks for workers with 1-3 years of tenure and 52 weeks for those with 3 or more years.
- o Sets dollar caps on entitlement in FY 1996-2000, with a FY 95-99 total of \$2 billion. Thereafter, the amounts available for income support are limited to 1/5 of FUTA receipts.
- o Retains the certification process for trade-impacted workers through June 1999. This would permit certified workers to collect 52 weeks of retraining income support without meeting the 3-year job tenure requirement.
- o This title is paid for by:
 - Permanent extension of 0.2% FUTA surtax,
 - Voluntary income tax withholding on unemployment benefits, and
 - Repeal of the Trade Adjustment Assistance and the NAFTA Transitional Adjustment Assistance programs, effective July 1, 1995, with phaseout benefits for those collecting TAA at the time of repeal.
- o Unemployment compensation flexibility:
 - Permits States to offer reemployment bonuses, and
 - Permits States to create short-time compensation programs for firms in which employees working reduced hours in lieu of layoffs receive pro-rated unemployment benefits.

Title III: One-Stop Career Centers

- o Creates voluntary system of one-stop career centers to provide basic reemployment services to any jobseeker and intensive services to dislocated workers. Centers coordinate delivery of a wide range of job training and employment programs.

- o Identifies mandatory participants in one-stop career centers (e.g., Employment Service, dislocated worker program) and voluntary participants (typically non-DOL employment and training programs, including JOBS).
- o Prescribes two different ways to select center operators:
 - Centers may be run by a consortium of organizations, including the Title I dislocated worker program, the Employment Service, and agencies administering JTPA Title II.
 - Alternatively, Governors and local officials may charter two or more independent organizations to operate the one-stop career centers. The Employment Service will be one of these operators if it requests.
- o \$250 million annually for 5 years for competitive planning and implementation grants to help States design, develop, and implement a network of one-stop centers.
- o Permits waivers of statutory and regulatory requirements for specific DOL-funded programs.

Title IV: National Labor Market Information System

- o Establishes a national labor market information system to provide universal access to up-to-date and easily accessible information about where jobs are, necessary skills and experience, location and quality of training programs, and job search assistance.

Title V: Reinvention Labs for Job Training for the Economically Disadvantaged

- o Amends JTPA Title II to encourage innovative program designs to enhance the provision of services to economically disadvantaged youth and adults by authorizing waivers of Federal statutory and regulatory requirements. Requires Secretary to evaluate participating programs.

TABLE 1
GAO LIST OF FEDERAL EMPLOYMENT AND TRAINING PROGRAMS
(BA in millions)

		FY 1994 Actual	FY 1995 Budget	Primary Age Group	Primary Special Population	Primary Service Deliverer	Primary Purpose	Form	COMMENTS
	Department of Labor (DOL)								
1	JTPA Defense Conversion Adjustment Program	--	--	b	j	o	d	b	FY91 approp. of \$150M. Author. thru FY 97.
2	JTPA Defense Diversification Program	--	--	b	j	o	d	b	FY93 approp. of \$75M. Author. thru FY94.
3	JTPA Clean Air Employment Transition Assistance	--	--	b	j	o	d	b	FY93 approp. of \$50M. Author. thru FY95.
4	Trade Adjustment Assistance	207	231	b	j	c	d	a	Mandatory; training capped.
5	Trade Adjustment Assistance-NAFTA "Bridge"	14	43	b	j	c	d	a	Mandatory; training capped.
6	JTPA IIA-Adult Training for the Disadvantaged	759	868	b	j	j	f	b	BA includes SDA share only.
7	JTPA IIC Disadvantaged Youth	539	490	a	a	j	f	b	BA includes SDA share only.
8	JTPA IIB-Summer Youth Employment and Training	873	1040	a	a	j	f	b	Net of Indian set aside.
9	JTPA Job Corps	1041	1157	a	a	a (ETA)	f	b	Most op. via contract. 30 run by DOA / DOI.
10	Targeted Jobs Tax Credit	15	5	c	a	c	d	d	Costs for admin. only; program expires 12/31/94.
11	JTPA IIA Training Programs for Older Individuals	49	56	d	a	j	b	b	Program design, services same as Adult program.
12	Senior Community Service Employment Program	411	396	d	a	o	e	b	Financed by state aging agency grants.
13	JTPA IIB-Summer Jobs-Native Americans	16	16	a	d	k	d	b	
14	JTPA-Migrant and Seasonal Farmworkers	86	78	b	e	o	f	b	Grantees are mostly CBOs and state agencies.
15	JTPA-Native American Employment and Training	64	62	b	d	k	f	b	
16	Veterans Employment Program (JTPA Title IV - C)	9	9	b	b		f	b	
17	Disabled Veterans Outreach Program	84	86	b	b	c	f	d	
18	Local Veterans Employment Representative Program	78	80	b	b	c	f	d	
19	Homeless Veterans Reintegration Project	5	5	b	b, f	o	f	b	
20	Job Training for the Homeless Demonstration	7	--	b	f	o	f	b	Authorization expires FY94. Reauthoriz. FY95?
21	Apprenticeship Training	17	17	b	h	a (ETA)	b	d	S & E or 230 FTE certify / monitor programs.
22	JTPA Employment and Training R & D	12	12	c	g	o	g	d	Grants/contracts for research & evaluation.
23	JTPA Employment and Training Pilots & Demos	38	35	c	g	o	f	d	Grants/contracts to nonprofits, others.
24	Employment Service-Wagner Payser State Grants	732	745	b	g	c	c	d	
25	Employment Service-Governor's Discretionary Funds	81	83	c	h	c	g	d	Gov. can spend 10% for perf. incentives.
26	Interstate Job Bank	2	2	c	h	c	c	d	
27	JTPA Title IIA State Education Programs	79	90	b	a	d	a	b	School-to-work & literacy projects.
28	JTPA Title IIA Incentive Grants	49	56	N/A	N/A	N/A	N/A	b	Grants to SDAs exceed performance standards.
29	JTPA Title IIC Youth-Incentive Grants	33	30	N/A	N/A	N/A	N/A	b	Grants to SDAs exceed performance standards.
30	JTPA Title IIC Youth-State Ed Programs	53	48	a	a	d	a	b	School-to-work & literacy projects.
31	Youth Fair Chance	25	25	a	a	j	f	b	

TABLE 1

GAO LIST OF FEDERAL EMPLOYMENT AND TRAINING PROGRAMS
(BA in millions)

		FY 1994 Actual	FY 1995 Budget	Primary Age Group	Primary Special Population	Primary Service Deliverer	Primary Purpose	Form	COMMENTS
	(cont.) Department of Labor								
32	Federal Bonding Program	0	0	b	j	a (ETA)	g	d	Insurance policy for employers of offenders.
33	Labor Certification For Alien Workers	50	51	b	h	c	c	d	
34	One Stop Career Centers	50	250	c	h	a-DOL	g	d	Grants one-stop ctrs. & exper. labor info system.
35	School-to-Work Opportunities	50	150						
	Total	\$5,524	\$6,217						
	Department of Education (ED)								
1	Even Start-State Educational Agency	96	112	c	a	d	a	b	For children 0-8 years & their parents.
2	Even Start-Migrant Education	5	6	c	e	a-ED	a	b	For children 0-8 years & their parents
3	Women's Educational Equity Program	2	5	b	h	a-ED	a	b	Research & dissemination grants.
4	Indian Education-Adult Education	10	11	b	d	k	a	b	
5	Migrant Education-HS Equivalency Program	8	8	a	e	a-ED	a	b	
6	Migrant Ed-College Assistance Migrant Program	2	2	a	e	a-ED	a	b	
7	School Dropout Demonstration Assistance	38	--	a	a	i	a	b	Termination
8	Adult Ed-State Administered Basic Grant	255	267	b	h	d	a	b	
9	Adult Education for the Homeless	10	10	b	f	d	a	b	
10	National Adult Education Discretionary Program	9	9	b	h	a-ED	a	b	R & D and dissemination.
11	Voc Ed-Demo for Integration of Voc and Academic Lng	11	10	a	h	a-ED	b	b	Part of national programs.
12	Voc Ed-Ed Programs for Fed Correctional Institutions	2	--	b	i	a-ED	b	b	Part of national programs.
13	Voc Ed-Comprehensive Career Guidance and Counseling	--	--						UNFUNDED
14	Voc Ed-Blue Ribbon Voc Ed Programs								Recognition of excellence.
15	Voc Ed-Model Programs for Regional Training, Skill Trades	--	--						UNFUNDED
16	Voc Ed-Business/Education/Labor Partnerships	--	--						UNFUNDED
17	Voc Ed-Tribally Controlled Post-sec Voc Institutions	3	3	c	d	o	b	b	
18	Voc Ed-Tribal Economic Development								? BIA program ?
19	Vocational Education-Basic State Programs	956	956	c	g	f	b	b	
20	Voc Ed State Programs and Activities								
21	Voc Ed-Single Parents, Homemakers, Pregnant								
22	Vocational Education for Sex Equity								Activities under Voc. Ed Basic State Grants.
23	Voc Ed-Programs for Criminal Offenders	2	--	c	i	o	b	b	Double Count to #12.

TABLE 1

GAO LIST OF FEDERAL EMPLOYMENT AND TRAINING PROGRAMS
(BA in millions)

		FY 1994 Actual	FY 1995 Budget	Primary Age Group	Primary Special Population	Primary Service Deliverer	Primary Purpose	Form	COMMENTS
	(cont.) Department of Education								
24	Vocational Education-Cooperative Demonstration	23	13	c	g	a-ED	b	b	Part of national programs.
25	Voc Ed-Opportunities for Indian & Hawaian Natives	15	15	c	d	a-ED	b	b	
26	Voc Ed-Opportunities for Indians and Alaskan Natives								Duplicate of previous program?
27	Voc Ed-Community Based Org.	12	--	c	g	o	b	b	Termination
28	Vocational Education-Bilingual Vocational Training	3	--	c	g	a-ED	b	b	Termination
29	Voc Ed-Demo Centers for Dislocated Workers	--	--						UNFUNDED
30	Voc Ed - Consumer and Homemaking	35	--	a	g	f	b	b	Termination
31	Vocational Education-Techprep Education	104	114	a	g	f	b	b	
32	National Workplace Literacy Program	19	24	b	h	o	a	b	Probably "Workplace Literacy Partnership."
33	English Literacy Program	--	--						UNFUNDED
34	Literacy for Incarcerated Adults	5	5	b	i	a-ED	a	b	
35	National Center for Deaf-Blind Youth and Adults	7	7	c	c	a-ED	a	b	Mandatory acct. - discretionary funding.
36	State Literacy Resource Centers	8	8	b	h	d	a	b	
37	Student Literacy Corps	--	--						UNFUNDED
38	Federal Pell Grant Program	6557	6514	c	h	a - ED	f	a	
39	Guaranteed Student Loan Program	2172	3074	c	g	o	f	c	Mandatory outlays FFELP / FDSL.P.
40	Federal Supplemental Educational Opportunity Grants	583	583	a	h	o	c	b	Grants to schools to make individual grants.
41	Upward Bound	168	174	a	a	o	a	b	EV Sec. Support Services
42	Talent Search	72	72	a	a	o	a	b	EV Sec. Support Services
43	Federal Work-Study Program	617	717	a	a	o	a	b	Grants to schools to sub. jobs.
44	Federal Perkins Loan Program-Fed. Capital Contr.	158	--	a	a	o	a	b	Termination.
45	Grants to States for State Student Incentives	72	--	a	a	d	a	b	Termination.
46	Educational Opportunity Centers	23	23	a	a	o	a	b	
47	Higher Education-Veterans Education Outreach Program	--	--					b	UNFUNDED
48	Student Support Services	142	145	a	a	o	a	b	
49	Postsec Ed Programs for Persons with Disabilities	9	9	a	c	o	a	b	IDEA
50	Rehabilitation Services Basic Support-Grants to States	1968	2021	b	c	e	b	b	
51	Rehabilitation Services Basic Support-Grants for Indians	7	8	b	d & c	k	b	b	Mandatory acct. - entitlement to states.
52	Rehabilitation Services-Hand. Mig/Seasonal Farm Workers	1	1	b	e & c	e	b	b	Mandatory acct. - discretionary funding.
53	Rehab Svcs-Special Projects, Severe Disabilities	20	22	b	c	o	g	b	Mand. acct. - discret. fund. (compet. grants)
54	Rehabilitation Services Supported Employment Projects	11	11	b	c	o	b	b	Mand. acct. - discret. fund. (compet. grants)

TABLE 1
GAO LIST OF FEDERAL EMPLOYMENT AND TRAINING PROGRAMS
(BA in millions)

		FY 1994 Actual	FY 1995 Budget	Primary Age Group	Primary Special Population	Primary Service Deliverer	Primary Purpose	Form	COMMENTS
	(cont.) Department of Education								
55	Supported Employment for Individuals with Severe Handicaps	35	37	b	c	e	b	b	Mandatory acct. - discret. funding.
56	Projects with Industry Programs	22	22	b	c	o	b	b	Mandatory acct. - discret. funding.
57	Comprehensive Services for Independent Living	18	19	b	c	e	g	b	Mandatory acct. - discret. funding.
58	Library Literacy	8	--	b	h	o	a	b	Termination
59	School to Work Opportunities	50	150	a	h	d	b	b	Equal amount in DOL.
60	Public Library Services	83	83	c	h	o	a	b	
	Total	\$14,436	\$16,270						
	Health and Human Services (HHS)								
1	Job Opportunities and Basic Skills Training	1100	1300	b	g	g,k	f	d	Mandatory
2	Community Service Block Grant	386	400	c	g	n,k	f	d	
3	Community Service Block Grant-Discretionary Award	48	--	c	g	n,k	f	d	
4	Community Services Block Grant-Disc-Demo Partnerships	8	--	b	g	n,k	f	d	
5	Refugee and Entrant Assistance-Discretionary Grants	130	130	c	h	o	f	d	
6	Refugee and Entrant Assistance-State Administered	227	235	c	h	g	f	d	
7	Refugee and Entrant Assistance-Voluntary Agency Programs	33	39	c	h	o	f	d	
8	Community Demo Projects for Alcohol, Drug, Homeless								
9	Family Support Centers Demonstration Program	7	7	c	g	o	f	d	
10	State Legalization Impact Assistance Grants	810	--	c	h	o	f,g	d	
11	Transitional Living for Runaway and Homeless Youths	12	12	a	f	o	f	d	
12	Independent Living	70	70	a	h	g	f	d	
13	Scholarships for Health Professions Students, Disadvantaged	17	*	b	h	o	a	b	Grant to school for individual assistance.
14	Health Careers Opportunity Program	25	*	b	h	o	a	b	Grant to school for individual assistance.
	Total	\$2,873	\$2,193						
	Department of Commerce (DOC)								
1	Minority Business Development Centers	25	24	c	h	o	g	d	Cooperative agreement.
2	American Indian Program	2	2	c	d	o	g	d	Cooperative agreement.
3	Economic Development-Grants for Public Works & Develop.	180	131	c	g	o	f	d	
4	Economic Development-Public Works Impact Program								
5	Economic Development - Support for Planning Organizations	22	22	c	g	o	f	d	

TABLE 1

GAO LIST OF FEDERAL EMPLOYMENT AND TRAINING PROGRAMS
(BA in millions)

		FY 1994 Actual	FY 1995 Budget	Primary Age Group	Primary Special Population	Primary Service Deliverer	Primary Purpose	Form	COMMENTS
	(cont.) Department of Commerce								
6	Economic Development-Technical Assistance	11	11	c	g	o	f	d	
7	Economic Development - State and Local Economic Planning	5	5	c	g	o	f	d	
8	Special Economic Development & Adjustment Assist. Program	36	19	c	g	o	f	d	
9	Sudden & Severe Econ. Dislocation & Long -Term Econ. Deter.								
10	Community Economic Adjustment								
	Total	\$269	\$212						
	Department of Defense (DOD)								
1	Military Base Reuse Studies & Comm. Planning Assist.	39	39	b	h	a-DOD	g	d	Grants to community for redevelopment planning.
2	Transition Assistance Program	66	72	b	b	a-DOD	f	d	
	Total	\$106	\$111						
	Department of Veterans Affairs (DVA)								
1	All-Volunteer Force Education Assistance	888	1024	b	b	a	f	a	
2	Selected Reserve Educational Assistance Program	106	100	b	b	a	a	a	
3	Survivors and Dependents Educational Assistance	100	98	c	b	a	a	a	
4	Vocational Rehabilitation for Disabled Veterans	292	319	b	b,c	a	g	d	
5	Post-Vietnam Era Veterans Educational Assistance	76	77	b	b	a	a	a	
6	Hostage Relief Act Program	?	?	?	?	?	?	?	
7	Vocational Training for Certain Veterans Receiving VA Pension	1	1	b	b,c	a	g	d	
8	Vocational & Educational Counseling for Servicemen & Veterans	4	2	b	b	a	g	d	For administrative costs only.
9	Service Members Occupational Conversion & Training	62	14	b	b	a	b	d	Authorized through FY85.
10	Health Care for Homeless Veterans	28	29	b	b,f	a (VA)	d	d	Residential treatment program.
11	Domiciliary Care for Homeless Veterans	27	28	b	b,f	a (VA)	d	d	Residential treatment program.
12	Housing and Urban Develop. Vet's Affairs- Supported Housing	2	2	b	b,f	a (VA), g	d	c	Permanent housing with clinical support.
	Total	\$1,686	\$1,694						

TABLE 1
GAO LIST OF FEDERAL EMPLOYMENT AND TRAINING PROGRAMS
(BA in millions)

		FY 1994 Actual	FY 1995 Budget	Primary Age Group	Primary Special Population	Primary Service Deliverer	Primary Purpose	Form	COMMENTS
Small Business Administration (SBA)									
1	Mgmt. & Tech. Assist. for Soc. & Econ. Disadvantaged Business.	8	8	c	g	o	f	o	
2	Small Business Development Center	71	67	c	g	d	f	b	
3	Women's Business Ownership Assistance	2	1	c	g	o	f	b	
4	Veterans Entrepreneurial Training and Counseling	0	0	c	g	o	f	b	
5	Service Corps of Retired Executives Association	4	3	c	g	o	f	o	
6	Business Development Assistance to Small Business	22	23	c	g	a-SBA	f	o	Includes WBO/Veterans, total cost of program.
7	Procurement Assistance to Small Business	18	16	c	g	a-SBA	f	o	
8	Minority Business Development	21	23	c	g	a-SBA	f	o	
	Total	\$146	\$142						
Department of Transportation (DOT)									
1	Human Resources Programs - Federal Transit Program	1	2	b	h	o	f	b	Training includes DBE/WBE assistance
	Total	\$1	\$2						
Office of Personnel Management (OPM)									
1	Federal Employment for Disadvantaged Youth- Summer	N/A	N/A	a	a	a-all	g	N/A	5,000 of 37,500 youth jobs OPM oversees.
Corporation for National & Community Service (CNCS)									
1	Literacy Corps	5	6	b	a	o	a	b	
2	Foster Grandparent Program	66	72	d	a	o	f	b	
3	Senior Companion Program	30	35	d	a	o	f	b	
	Total	\$101	\$112						
Department of Interior (DOI)									
1	Indian Employment Assistance	1770	1784	b	d	a,k,l	b	a & b	Authorized by P.L. 84-959, Aug. 1956.
2	Indian Grants - Economic Development	920	931	b	h	a	g	d	Focal point for all program activities & policies.
	Total	\$2,690	\$2,715						

TABLE 1
GAO LIST OF FEDERAL EMPLOYMENT AND TRAINING PROGRAMS
(BA in millions)

		FY 1994 Actual	FY 1995 Budget	Primary Age Group	Primary Special Population	Primary Service Deliverer	Primary Purpose	Form	COMMENTS
	Department of Agriculture (DOA)								
1	Food Stamp Employment and Training	163	165	b	a	g	g	d	Mandated Food Stamp Act 1977, and (d).
2	Appalachian Regional Commission	3	3	c	g	o	b	b	Not agriculture, independent commission.
3	Appalachian Voc. & Other Educational Facilities & Operations	2	2	c	g	d	b	b	
	Total	\$168	\$170						
	Total Budget for all Programs	\$27,890	\$28,838						

COLUMN HEADERS AND ENTRIES FOR THE GAO LIST SORT

<u>Column Heading</u>	<u>Entries</u>
<u>FY 1994; FY 1995</u>	BA in millions (use "--" for a zero entry)
<u>Real Program</u>	Yes; No (explain in comment, e.g.; Sex equity: a staff person in each State, not a program.)
<u>Primary age group</u>	a (youth); b (adult); c (combination); d (elderly); e (other)
<u>Primary Special population</u>	a (poor); b (veterans); c (disabled); d (Indians); e (migrants); f (homeless); g (combination); h (other); i (prisoners); j (dislocated workers)
<u>Service deliverer</u> (The local agency that lets the grants or contracts.)	a (Federal agency) [include agency initials in column]; b (Governor); c (State employment service); d (State education agency); e (State rehab agency); f (State voc ed agency); g (State/county welfare agency); h (State health agency); i (local education agency); j (PIC/SDA); k (Indian gov't); l (BIA); M (union); n (State/local economic development agency); o (other)
<u>Primary Purpose</u>	a (education); b (job training); c (labor exchange); d (adjustment); e (income support); f (combination); g (other)
<u>Form</u>	a (grant to individual); b (grant to institution); c (loan/voucher); d (other)
<u>Comments</u>	[As necessary.] E.g., guaranteed student loans is actually five programs, not one; Sex Equity is not a program; program was never funded; time limited demo; etc. Note: We will assume the program is discretionary <u>unless</u> it is indicated to be mandatory in the comments section.

Data sorts:

1. All unfunded programs (FY 1994 column in ascending order; FY 1995 column in ascending order, so that the "--" entries appear at the top.)
2. All programs which had funding in FY 1994 but are proposed for termination in the FY 1995 budget (FY 1994 in descending order; FY 1995 in ascending order; programs will be those with BA in FY 1994 and "--" in 1995; should be the top of the FY 1995 column, after adjusting for those with "--" in both columns. Query: is there a macro that can separate the ones with "--" in both columns?)
3. Sort by Yes/No for real program.
4. Sort by age group.
5. Sort by special population.
6. Sort by common delivers.

umphs of the Great Society and ultimately to our victory in the cold war, but along the way we seemed to lose some of that sense of optimism.

The various crises we have faced since the death of President Kennedy have left the American people more cynical and distrustful than they were in the early 1960's. This change is understandable, given all that has transpired in the past 30 years. Jacqueline Kennedy Onassis reminds us of how we were before this change and because of the power of nostalgia, her death makes that time seem further away than ever before. We have all lost an important part of our past. She remains one of America's most beloved First Ladies whose grace and courage during the dark days following President Kennedy's tragic death will long be remembered.

JACQUELINE KENNEDY ONASSIS: PROFILE IN COURAGE

Mr. HOLLINGS. Mr. President, when Jacqueline Kennedy Onassis passed away last month, it was a former First Lady who died, but the Nation mourned as though it had lost a beloved former President. Certainly, those of us in this body who were privileged to know her feel a profound sense of loss. However, I would not say that our grief is any greater than that of millions of Americans who never met her yet who revered her in a very special and personal way.

As First Lady, Jackie Kennedy was not politically active on the model of Eleanor Roosevelt or Hillary Rodham Clinton. However, I dare say that she served the country more intensely and profoundly than any First Lady in history. She did so in the course of those dark days in November. At a time of unspeakable personal loss, when we should have been supporting and steadying her, it was she who supported and steadied us. It was a veiled and valiant Jackie Kennedy who supported and steadied our entire nation. For that act of sustained courage and fortitude, our beloved former First Lady will be remembered and honored for centuries to come.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I understand we are in morning business?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. DOLE. And leaders' time was reserved?

The ACTING PRESIDENT pro tempore. Leaders' time has been reserved.

RELIGIOUS BIGOTRY IN THE POLITICAL ARENA

Mr. DOLE. Mr. President, 30 years ago this November, Democrat Al Smith's campaign for the Presidency was buried under an avalanche of anti-Catholic bigotry. Thirty-four years ago this November, Democrat John Kennedy was narrowly elected to the Presidency, but only after dealing with accusations that he would be installing a "hot line" to the Vatican.

It is now 1994, and except for the occasional anti-Semitic rantings of fringe candidates like Lyndon LaRouche, I thought religious bigotry had long since been retired from the political arena.

Apparently, I was wrong. Yesterday, Congressman VIC FAZIO, chairman of the Democratic Congressional Committee, held a press conference to continue his attack on what he has termed the "fire-breathing Christian radical right."

Given the fact that the Democrats have lost every major competitive election since President Clinton took office, I can understand their desire to try to find some tactic that might work.

But by suggesting that being a Christian should exclude someone from being involved in politics is a tactic I simply do not understand and one that I believe will be quickly rejected by the American people.

The American people are much smarter than Congressman FAZIO and the Democrats give them credit. They care about where a candidate stands on issues. They are not concerned with whether or not a candidate is Catholic, Jewish, Episcopalian, Methodist, or Evangelical.

Mr. President, I have searched the Constitution and the Bill of Rights, and I cannot find anything which states that people who go to church should be banned from the political process.

In fact, Mr. FAZIO might be interested to note the very first sentence of the first amendment to the Constitution guarantees freedom of religious expression. It says, "Congress shall make no laws respecting an establishment of religion or prohibiting the free exercise thereof."

I also remind my Democrat friends both President and Mrs. Clinton have spoken about the importance of religion and attend church regularly, and I do not hear any Democrat questioning their right to participate in the political process.

Mr. President, I hope that Mr. FAZIO and the Democrats will rethink this latest foray into religious bigotry. I hope they will judge people by the standards they take on issues and not where they kneel to worship.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, as I understand it, there has been time that has been allocated to Senator KASSEBAUM and myself.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Under the previous order, there is 20 minutes total allocated to the Senator from Massachusetts and the Senator from Kansas.

Mr. KENNEDY. Mr. President, I yield myself 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator is recognized.

REFORMING AND CONSOLIDATING FEDERAL JOB TRAINING PROGRAMS

Mr. KENNEDY. Mr. President, I am pleased to be joining Senator KASSEBAUM this morning in launching a bipartisan effort to reform and consolidate Federal job training programs.

In his State of the Union Address, President Clinton called on Congress to take immediate actions to bring some coherence to work force development policy. In this session of the Congress we have responded by enacting important new education and job training measures for young people such as the School-to-Work Opportunities Act and the Goals 2000: Educate America Act.

It is now time for us to press ahead and take up the rest of the President's challenge: To reform and streamline job training programs for adults. In his State of the Union Address the President noted that: "We simply must streamline today's patchwork of training programs and must make them a source of skills for people who lose their jobs."

Senator KASSEBAUM and I, and many other Senators from both sides of the aisle, take President Clinton's challenge seriously and intend to jointly introduce legislation this summer to reform and streamline job training programs for adults.

Many of the building blocks of our current job training system were established during the New Deal, New Frontier, and Great Society years. Our challenge then was to devise ways to help various hard-to-serve groups to enter the labor force. Most of those programs were appropriate at the time, and many have been effective.

Now, as a result of increased international competition, unprecedented technological changes, and defense downsizing, many additional workers now need to be retrained or have their skills upgraded. Population changes and the increasing number two income families have created a need to assist millions of additional workers to enter the labor force. Our goal is to update and improve Federal job training programs in a systematic way to respond

to the changes taking place in our economy.

We must do more to ensure that job training programs for adults are streamlined and improved to give workers and businesses the skills needed to successfully compete in the 21st century.

There is good reason to be optimistic that we can succeed. Over the past several years, a bipartisan consensus has emerged to streamline and reform Federal job training programs. The landmark "America's choice: High Skills or Low Wages" report issued in 1990 by the Bipartisan Commission on the Skills of the American Work Force played an important role in helping to frame the debate. The report found that, compared to our major international competitors, the United States does not take a systematic approach to preparing noncollege bound workers for product careers.

Shortly after the release of the report, I asked the General Accounting Office to identify and analyze the many employment and training programs of the Federal Government. GAO identified 125 different programs with a total funding of \$16.4 billion in 1991. As GAO noted, many of the programs provide similar services to the same target population, and create overlapping services and confusion on the part of localities and individuals seeking assistance.

In recent years, several members of Congress, including Senators KASSEBAUM, SIMON, HATFIELD, and HARKIN and Representatives WILLIAM FORD, COLLIN PETERSON, and WILLIAM ZELIFF requested additional information from GAO. Three major additional findings resulted from these followup studies.

THE SIZE AND SCOPE OF THE FEDERAL INVESTMENT IN JOB TRAINING PROGRAMS ARE LARGER THAN PREVIOUSLY THOUGHT

GAO identified 154 different employment and training programs and funding streams with \$24.8 billion in requested funding for fiscal year 1994. Responsibility for administering these programs is spread across 14 departments and independent agencies. While some observers question the specific programs included in the GAO count, virtually all of those familiar with Federal job training policy agree with GAO's overall point—too much, duplication and too many inefficiencies exist in these separate programs.

IT IS DIFFICULT FOR ADMINISTRATORS TO CARRY OUT THESE PROGRAMS AND FOR CONSUMERS TO OBTAIN THEIR BENEFITS

Most of these programs, which were established over a period of decades, continue to operate under independent centers of control and authority. Many use separate delivery systems. The result is that the current programs confuse and frustrate everyone involved and impose unnecessary costs.

GAO discovered many specific examples of separate requirements that turn efforts to coordinate the delivery of services into a bureaucratic nightmare for program administrators. For exam-

ple, many programs target the same populations, but conflicting eligibility requirements and operating cycles make coordination impossible.

IT IS DIFFICULT TO MEASURE WHAT THE PROGRAMS ARE ACCOMPLISHING

Perhaps the most alarming GAO finding is that many Federal agencies do not know whether their programs are working. At the request of Senator KASSEBAUM, GAO assessed 62 programs that provide job training assistance to the economically disadvantaged. GAO found that although most Federal agencies monitor the expenditure of funds, they generally do not collect information on outcomes. Ninety percent of the programs collected data on dollars spent and participants served, but only 49 percent knew whether the participants got jobs, and only 26 percent knew the wage level of the jobs.

In light of the importance of training to our Nation's work force, the lack of focus on accountability is unacceptable, especially at this time of increasingly tight Federal budgets and scarce resources for new investments.

Last March, two significant bills with important implications for reform and consolidation of Federal job training were introduced by members of the Senate Labor and Human Resources Committee.

The first of these bills, S. 1943, the Job Training Consolidation Act of 1994, was introduced by Senator KASSEBAUM. Her bill would set in motion a process for consolidating more than 60 separate programs authorized in 12 different statutes. Their authorizations would sunset 29 months after the bill's enactment. A new seven member commission would be established and given 2 years to develop a sweeping consolidation and reorganization plan. During that period, States would be given broad waiver authority to experiment with new approaches to consolidate and reform job training programs.

The second bill, S. 1964, is President Clinton's Reemployment and Retraining Act. Senator METZENBAUM is the primary sponsor of this bill, several of us on the committee are cosponsors. This bill would consolidate six training programs for dislocated workers, provide income support for them to participate in long-term training, improve the labor market information available to them, and let States begin to consolidate programs through new "one-stop career centers."

In the past month, Senator KASSEBAUM and I have worked together to achieve a common approach that we both feel deserves bipartisan support and that can accomplish the goals we share with the administration. We intend to develop a bipartisan bill to reform and consolidate Federal job training programs on this basis.

We also are sending a survey to the three agencies that collectively administer 110 of the 154 programs identified by GAO—the Department of Labor, Department of Education, and the Department of Health and Human Serv-

ices. The purpose of this survey is to obtain baseline information to determine which programs should be included in our reform and consolidation effort. We will hold hearings to review these survey results and to review recommendations.

The need for a high performance work force development system has never been greater. I am confident that there will be broad bipartisan support for developing a better system to achieve it, and I look forward to early action by Congress to implement this approach.

Finally, Mr. President, what we are trying to do in our committee is to do an evaluation of the range of different programs that we have authorized and for which funding is appropriated to actually find out what percentage of that funding actually gets out into the field in terms of the administrative costs as well as the effectiveness of the program.

That is an ongoing and continuing commitment that we have made and on which we will continue to give reports to the Senate as a whole as to the progress that we are making. Obviously, there is a great deal of pressure in terms of responding to the immediate kinds of legislative challenges as we are facing a limited period of time before we recess for this session. But this is going to be an ongoing and continuing commitment of the committee. We have been able to gather broad bipartisan support.

I commend Senator KASSEBAUM and others on the committee, Republican and Democrat alike, who are working closely together. Many of these programs are not only in our Labor Committee but are administered by the Labor Department. Some of them are in the Agriculture Department, Commerce Department, and many other areas where there is cross-jurisdictional kinds of issues.

We attempt to work with our colleagues, and those in the Finance Committee as well, to attempt to try initially to consolidate and coordinate all of those programs in our committee and to begin the whole process of gathering many of the related types of programs in other agencies to see if we cannot make the programs: first, more effective and efficient; second, get a greater kind of accountability for the American taxpayer in terms of what is really happening in this program; and, third, give greater information to those people who are being impacted so that they know what kinds of skills in training and education programs are being enhanced; and fourth and finally, the employer will know how effective these programs are going to be as well.

So this is a continuing challenge for all of us. It is going to take some time. But I think we are making good progress. And we are going to continue to do it in these training programs and education programs, and in all the different areas of responsibility that we have in our committee.

I notice Senator KASSEBAUM on the floor. I again thank her.

Mr. President, I ask the Chair at the conclusion of the morning hour this morning to bring together the related comments and speeches on this subject matter so that there will be a sense of continuity in terms of documents.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mrs. KASSEBAUM addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Kansas.

FEDERAL JOB TRAINING PROGRAM

Mrs. KASSEBAUM. Mr. President, I am pleased to join with my colleague, the Senator from Massachusetts, and of course the chairman of the Labor and Human Resources Committee, to announce our shared interest in re-vamping the current Federal job training system.

Senator KENNEDY has already addressed some aspects of that proposal. And, if I may, I would like to reinforce my interest in these efforts.

I am pleased that there is growing bipartisan sentiment in Congress that the current system is badly in need of repair. According to the GAO, the Federal Government currently oversees 154 job training programs, administered by 14 different agencies, at a total cost to the taxpayers of almost \$26 billion per year.

Mr. President, my concern—and I think the same concern as expressed by the Senator from Massachusetts—is that the right hand and the left hand just do not know what they are doing. They do not know what works and what does not work. In fact, the Senator from Massachusetts deserves credit for starting the ball rolling by asking the GAO in 1991 to identify and evaluate all the different programs involving employment and training.

The results of that initial study laid the groundwork for many of the current proposals—to consolidate and eliminate duplicative job training programs. We simply cannot keep pumping Federal dollars into this confusing maze of programs. I do not think it is fair to those who want to find successful job training and retraining efforts. I do not think it is fair to the taxpayers to continue to support initiatives which we are not really sure are working as we would hope. To be honest, people are fed up across the country that we are spending money on Government programs that make big promises and then do not deliver.

We need to start over and create a job training system that works for everyone, whether you are a person just entering the work force, or a worker with advanced skills who seeks to enter into a new type of job. We do not have that kind of system today, and our workers and our economy both pay the price.

The task will not be easy. Last March, I introduced a bipartisan bill designed to overhaul completely the

job training system by essentially wiping the slate clean and starting over. The bill takes two important steps toward achieving comprehensive reform.

First, the bill would grant broad waivers immediately to allow States and localities maximum flexibility to coordinate the largest programs at the local level.

Second, the bill establishes a national commission to make recommendations on consolidating all existing programs. At the end of 2 years, the largest job training programs would sunset unless Congress acts on the recommendations of the commission or reinstates existing law.

I firmly believe that the starting point of any discussion about job training must be how to overhaul completely the current system and create a new one that works—nothing less. Otherwise, we are just continuing to rebuild on an old structure, again not being able to evaluate the strengths and weaknesses of any particular program.

This is one of the main reasons why I have not supported the administration's Re-Employment Act. The Re-Employment Act attempts to combine only a fraction of the existing job training programs for dislocated workers. I do not believe that the Re-Employment Act goes far enough to confront the critical need for comprehensive reform, and may, in fact, delay real progress on consolidating and eliminating duplicative or ineffective programs.

In addition, I am very concerned about the additional costs of the REA, which provides long-term income support and many other benefits for individuals enrolled in retraining programs. The administration estimates that the bill would increase current costs by \$13 billion over 5 years.

To pay for this new program, the administration proposes to make permanent a 0.2 FUTA percent tax imposed on employers. I have strong reservations about setting up a financing structure that could potentially develop into a new open-ended entitlement program.

In order for a consolidation effort to be successful, it must have broad bipartisan support.

I am pleased that Senator KENNEDY, who has had a longstanding interest in this area of public policy, is committed to working toward wholesale reform. While there is no consensus yet on how best to achieve comprehensive reform, Senator KENNEDY and I—and we have been joined by the Senator from Nebraska, Senator KERRY, who is a co-sponsor of the Job Training Consolidation Act, which I believe is a good point of reference, all have some concerns about how best to consolidate and reform Federal job training programs. I believe these concerns reflect a desire for real change in this area, which many of us feel—and it seems to me, Mr. President, provides a good opportunity to seize the initiative and

really be willing to boldly take some dramatic steps toward reform.

The joint statement for consolidating and reforming Federal job training programs, which Senator KENNEDY and I have articulated, incorporates the following five basic concepts about a comprehensive job training system. I think the Senator from Massachusetts referenced these, but I would reiterate the following:

First, it should be based on the needs of jobseekers and employers alike.

Second, it should be readily accessible and understandable to all participants and easy to use.

Third, it should focus on performance and accountability.

Fourth, it should provide flexibility and primary responsibility to the States and, in turn, to local communities, for design and implementation of job training systems.

Fifth, it should be based on local labor market needs which, by necessity, require the active involvement of the private sector.

I ask unanimous consent that a full copy of the joint statement on consolidation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JOINT KENNEDY/KASSEBAUM STATEMENT: CONSOLIDATING AND REFORMING FEDERAL JOB TRAINING PROGRAMS

We believe that immediate action needs to be taken to transform federally-funded job training efforts from a collection of free-standing, categorical programs into a coherent, integrated, accountable work force development system.

The system should be based on the needs of job-seekers and employers alike. Too much activity that takes place within federally-funded job training programs is based on the institutional imperatives of the bureaucracy, rather than serving the needs of job-seekers, workers and employers. We need to create a system that assists individuals to enter the work force, increases their basic skills, improves their technical skills, or re-trains them for new jobs according to the needs and demands of employers. We recognize that various hard-to-serve groups may require more assistance than others to succeed in this new system.

The system should be readily accessible to any worker, job seeker, or employer. The system should be understandable to all participants and easy to use. Every individual or business who approaches the system should have information about the full array of services available, and should be able to easily gain entry into the system. The system should assure that job-seekers will receive information, guidance and counseling about all available employment and training services—no matter where they first enter the system.

This system should focus on performance. Performance should be defined by the value added that is achieved (such as long-term job placement) rather than by the number of individuals served. Accurate and up-to-date information on the performance of all programs should be available to all.

The system should provide flexibility and responsibility to the states, and in turn to local communities, for design and implementation of job training systems. States are well-positioned to integrate federally funded job training programs with state education

and economic development strategies, and to provide incentives and monitor the performance of local programs. Local officials should, wherever practicable, be given the authority to allocate resources based on the needs of job-seekers and employers alike, and the supply, demand, price and quality of job training services in their areas. The appropriate role for the federal government in the job training system is to provide overall policy direction, and articulate the authority and role for each level of government in the new system, provide resources to help execute these policies and establish this system, oversee system-wide performance, and disseminate best practices.

The system should be based on local labor market needs which, by necessity, require the active involvement of the private sector. Private sector businesses, which ultimately provide the jobs, must be included as an integral part of the system at every level. Too often training programs are not connected to available employment opportunities. The system should require the involvement of employers in the choice, design and content of the types of skills and training needed in each local area in order to link training to employment opportunities.

Mrs. KASSEBAUM. While I believe the legislation that the Senator from Nebraska (Mr. KERREY), myself, and others, have introduced the Job Training Consolidation Act of 1994, incorporates these basic concepts, I recognize that others may have different ideas about how to reach the same goal. I welcome the suggestions and the recommendations of all who are interested in reforming our scattershot array of job training programs into a system that will serve all individuals more effectively.

In order to gain the most information available, Senator KENNEDY and I have agreed to take several concrete steps. We are requesting the three Federal agencies that are responsible for the bulk of our job training programs—the Departments of Labor, Education, and Health and Human Services—to provide us with the most current information regarding the performance of their programs. Such information will be necessary in order to make sensible determinations about the elimination or consolidation of specific programs.

Additionally, we are interested in the experiences of States, localities, and private sector initiatives for integrating employment and training programs. We are therefore requesting information from knowledgeable individuals and entities that will be useful in formulating a policy that reflects our joint vision. I am hopeful that we will be able to hold additional committee hearings as well. This will offer the opportunity to gain a variety of perspectives and ideas.

Mr. President, the current system is broken and needs to be fixed. We cannot patch up what is already a patchwork job training effort. We need to start over and produce a system that works for everyone.

I look forward to working with all who are interested in reform, including the chairman of the Labor and Human Resources Committee, Senator KEN-

NEDY, and Senator KERREY from Nebraska.

BIPARTISAN JOB TRAINING

Mr. CHAFFEE. Mr. President, I want to lend my complete support and encouragement to this effort by Senators KENNEDY and KASSEBAUM to craft bipartisan legislation to establish a Federal job training strategy. The chairman and ranking member of the Labor and Human Resources Committee are to be commended for tackling this critical issue.

I was an original sponsor of the Job Training and Consolidation Act, introduced earlier this year by Senator KASSEBAUM. This legislation proposes to create a commission to make recommendations on consolidating all Federal job training programs. It would also grant waivers to States and localities to facilitate program coordination at the local level—where it belongs.

While the legislation is an obvious threat to many Federal and State agencies—as well as to a number of congressional committees—jurisdictional gridlock must not frustrate the development of a cohesive national job training system.

According to a recent General Accounting Office (GAO) study, there are 154 separate job training programs, administered by 145 different agencies, at an annual cost to taxpayers of \$25 billion. In a broad audit, GAO concluded few benchmarks exist to determine the efficacy of such programs; while most keep track of the number of trainees they serve, not one maintains job placement data.

This lack of accountability is absolutely unacceptable. We cannot afford to squander scarce Federal resources on programs whose success or failure cannot be measured. In my own State of Rhode Island, as in many others, the need for effective training programs for dislocated workers and noncollege bound youth is greater than ever. We must ensure that our sizable job training investment is wise, efficacious, and justifiable.

Senators KENNEDY and KASSEBAUM have developed a statement of objectives which I believe to be an excellent starting point for the development of a bipartisan bill. It includes the following five premises for a comprehensive job training system—all of which I strongly support:

First, it should serve the needs of job-seekers and employers—the two most critical participants in such a system;

Second, it should be readily accessible and comprehensible to all participants;

Third, it should be focused on performance and accountability—we should know how many job seekers actually get placed as a result of the training they receive;

Fourth, States and localities should have primary responsibility for design and implementation of job training systems;

Fifth, finally, a job training system should be based upon local labor market needs, so that the training is geared to employer needs in a given area. By necessity, this means any such system must have the active involvement of the private sector to be a success.

I want to thank Senators KENNEDY and KASSEBAUM for their initiative, and look forward to working with them as they develop legislation to create a national job training system.

Mr. KERREY addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Nebraska (Mr. KERREY) is recognized.

JOB TRAINING CONSOLIDATION ACT OF 1994

Mr. KERREY. Mr. President, I rise as well in support of the Job Training Consolidation Act of 1994. Senator KASSEBAUM and I spoke about it earlier. I have really come to the floor not only to reinforce the need for this legislation, but to praise the senior Senator from Massachusetts for his comments earlier and for a longstanding commitment to job training in the United States of America.

It seems to me that as I examine and look at, and very often am tormented by, the problems I see today with the American family, there is no better or faster or more certain cure for what ails the American family today—which is still the preeminent institution in America, pound for pound, delivering more leaders, more artists, more builders, more creative individuals, than any other institution that we have—there is no better or faster cure for what ails the American family today than a job that provides an individual with not only the resources needed to support a family, but with some sense of dignity, some sense of value, some sense of importance.

All of us know that the nature of the work force has changed dramatically in our lifetimes. In my case, I got out of high school in 1961 and over three-fourths of my high school class went directly into the work force. In that year, it was possible to find a job relatively easily. The rule was that that job provided you with enough money that you could get married and support a family. You began to buy a home, and you did a couple years in the service and you came back and expected to be on the job 40 or 45 years. That was the rule, Mr. President.

It was the rule that that job was there almost regardless of what your skills were. If you had a willingness to work hard and had a willingness to show up on time and had the right attitude toward the job, there was an abundance of good paying jobs.

Well, Mr. President, there are not very many low-skill, high-paying jobs left in America. Congress may be the exception to that. We have in America today a real premium on skills, and all of us know it. We have seen the consequences for a young person who graduates from high school without the ability to do multistep mathematics.

COMPARISON OF CONSO LIDA' ' ON PROPOSALS AND PROGRAMS WITH THE REEMPLOYMENT ACT OF 1994

PROGRAM DESIGN ELEMENT	Goodling Bill (H.R. 4407)	Kassebaum Bill (S. 1943)	Zeliff Bill (Not Available)	Reemployment Act Of 1994
Immediate Consolidation of Programs at Federal level	Streamlines education and training programs for out-of school youth and adults at the Federal level, while protecting targeted populations. Consolidates 86 federal education and training programs into seven block grants: Adult Literacy; Vocational and Technical Education; State Vocational Rehabilitation; Adult Employment and Training; Youth Training; Native American; and Migrant and Seasonal Farm Workers.	No provisions for immediate consolidation at the Federal level.	Consolidates nearly all 154 GAO programs into a single block grant. States required to break up participants into three categories: (1) job ready; (2) dislocated workers; and (3) individuals with sporadic or no work history.	Consolidates 8 GAO programs for dislocated workers into one program.
Future Consolidation of Programs at Federal Level	Requires the National Commission for Employment Policy to study and make recommendations for further reforms and consolidation of education and training within one year of the date of enactment, but does not require any action on these recommendations. Establishes Federal Council to oversee implementation and administration of Act, including development of strategic plan for further program consolidation.	Establishes a public-private partnership at the federal level (National Commission on Employment and Training) to move toward consolidating all existing programs following a two-year transition period. Repeals covered Acts (12 Acts which authorize major existing job training system) 29 months after date of enactment, forcing Congress to act on joint resolution of National Commission.	None required.	None provided.

Comparison of Existing Dislocated Worker Programs with the Re-employment Act of 1994

PROGRAM DESIGN ELEMENT	Goodling Bill (H.R.)	Kassebaum Bill (S. 1943)	Zellitt Bill (Not Available)	Reemployment Act Of 1994
Program Integration at local level	Similar to REA, provides grants and technical assistance to States, as well as waivers of provisions law and regulations, who choose to establish "one-stop" systems throughout the State for coordinating community-wide delivery of education and training services. Mandated programs for one-stop systems extend beyond DOL programs (JOBS, Voc Ed, and Adult Ed).	Provides broad waivers from nearly 60 different programs that may be used to develop a comprehensive statewide employment training system. Waivers will be in effect during the two-year transition period leading to final implementation of comprehensive reform.	None	Provides planning and implementation grants and technical assistance to States who choose to implement one-stop systems, and waivers to allow integration of programs at local level in one-stop States and other States. Mandated programs for one-stop systems limited to DOL programs.
Improved quality of Services	Establishes Local Workforce Development Boards that are required to develop and implement processes to ensure that most effective and efficient service providers are chosen.	None.	States would be required to demonstrate that employment and training programs are increasing the number of employed individuals in the State and would be heavily sanctioned if there is none.	Empowers workers by mandating customer choice in the selection of services; allows workers to choose effective market-driven training programs by providing performance information on all qualified service providers and improved information on available jobs; mandates competition for career center and one-stop center operators to ensure high quality services; and subjects all operators to tough performance standards.

June 6, 1994

Appendix B

TOWARD A NATIONAL WORKFORCE TRAINING POLICY

Part I: The Vision

--Revised Draft, 6/6/94--

Introduction

As a number of recent reports document, the United States has no real "system" to organize education and training for the workforce. Despite multibillion dollar expenditures by the federal government, other levels of government, and the private sector on training, there is

*"little understanding of whether the various parts accomplish what they are supposed to or of how the parts relate to each other....Training in the United States is not coherent, readily accessible, closely connected to the world of work, with clearly visible and positive effects on those trained, and of acceptable and measurable quality."*¹

The focus of federal training programs has been on ensuring access to institutions and services for special populations. This focus resulted in the development of discrete programs to respond to specific problems and groups in need; these programs appear insufficient to keep up with changes in our economy.

Today, policy makers are debating the merits of increased investment in and coordination of training, as a strategy to simultaneously boost productivity; increase employment and earnings for those at the lower end of the wage (and skills) scale; and narrow the widening gap between those with the knowledge and skills to fill high-wage jobs and those whose low skills increasingly marginalize them from secure employment, career advancement, and income growth.

The jobs of the future will require more, not less skill, in both the manufacturing and service sectors and at all levels of employment.² Tomorrow's workers will need higher levels of education and training to compete for and secure employment. They will need to be more flexible in their expectations of the job market, and will need to engage in lifelong up-skilling. An effective national workforce training agenda must respond to these needs. The agenda will need to harmonize both top down and bottom up strategies. Federal leadership can contribute to , and can promote state and local development of systemic workforce policies that align education and training strategies with strategies to promote economic growth and competitiveness.

This paper identifies the problems with the current system, and lays out a vision of the system we want to move toward, the population groups affected, and some principles that should govern federal action. An attached paper begins to lay out some possible policy options for action in the short, medium-, and long-term.

What is Wrong With the Current System?

There are four principal problems with the current system.

First, the system lacks coherence. We have neither a clear vision of a framework within which people are prepared for a [modern] workplace, nor a coordinated strategy to achieve the vision. At present, there are too many programs with separate requirements and contradictory purposes, and very little coordination across programs.

- Estimates of numbers of federally supported training programs vary considerably. The National Research Council cites "several dozen programs" in seven different cabinet agencies that provided \$20 billion in federal funds in 1991.
- The complexity of programs confuses and limits access for customers, encumbers administration and coordination, and may raise costs. Furthermore, there are few formal mechanisms for coordination between public and private training providers, on the one hand, and employers, on the other.

Second, existing workforce education and training programs at all levels are of uneven or unknown quality; the quality of some seems to be very low. Furthermore, there is a lack of clear, consistent and credible standards against which to measure program success or failure.

- Many existing programs do not impart the skills needed for good jobs. Some vocational education and proprietary programs, for example, use outdated techniques and equipment to teach skills that are either outmoded, not in demand, or poorly compensated in today's workplace. Many training programs appear to be inadequately informed by the needs of local employers.
- There is an acute need for developmental work to define standards of program quality.

Third, there is a lack of good, easily available information for consumers on workforce education and training programs, their admission standards, costs and effectiveness. Students and workers have no way of knowing whether a given course or program of study is likely to boost their incomes by helping them to get a job or a better job, or even if it will help improve their skills. Instances of recruitment by unscrupulous program operators are well documented. There is currently no easily accessible place or means for obtaining reliable information about different training programs, skill requirements in available jobs, or sources of financial assistance for training. Furthermore, informal networks are key to getting information about jobs.

The fourth principal problem concerns how at-risk groups fare in the current "system." Programs targeted for this population appear to have had mixed success; many have not been effective in raising levels of achievement and workplace success. For example, Chapter 1, the largest federal elementary and secondary program has had modest success only in raising the basic skill levels of participating students, but not in instilling the complex abilities needed for high-skill jobs. In addition, vocational education is generally viewed as the lowest-prestige of curricular pathways in secondary school--the place for those who can't make it in the academic track. Although JTPA, the Labor Department's training program for disadvantaged adults and youth, has shown modest positive impacts on adults, the national evaluation of JTPA shows no discernible positive impact on youth. Little is known about the effectiveness of vocational education and training supported through federal student aid programs.

A Vision of a Better System

The Clinton Administration is committed to working toward a coherent, high-quality system of training that builds on the strengths of a market economy by empowering individuals and firms to engage in skill-building that translates into better jobs and lifelong learning for individuals and greater productivity and competitiveness for the nation as a whole. "Coherence" in this context does not imply creation of a single program, provider, or bureaucracy. A coherent system is one whose diverse elements and multiple providers are building blocks that fit together logically, with minimal duplication; in which smooth transitions are made possible by coherent definitions, requirements, and standards and abundant good information; and where one element leads logically to others, with help for the individuals making the transition.

In our vision, training will prepare people for the workplace of the future, in which continuous learning is the rule. This is a workplace in which command of new technologies allows workers to be more productive, and in which teams of flexible workers with knowledge of a broad range of skills is required for almost all work.

In this system information--and help--will be readily available in schools, workplaces, homes, and other convenient community locations about:

- o what skills an individual has (assessment);
- o what jobs are available in the community and what they pay;
- o what training is needed to be able to fill a particular kind of job;
- o where good training can be obtained;
- o how much it will cost; and
- o sources of financial assistance.

Individuals, training providers, and firms will know about the quality of training programs, judged according to widely accepted standards. Training programs will be judged according to their outcomes--for example, how much students or trainees learn,

and whether they get, retain, and/or move up to appropriate jobs after training. Academic and skill standards would cover school-to-work and postsecondary training programs, and they would be designed to specify the knowledge and skills required by broad occupational categories, initially at the entry level.

Such a system is very different from the one we have now. But it is not unattainable. In fact, other countries have in place coherent systems with some or all of these features. While a U.S. system must grow out of our own cultural and economic context, clearly a much better system than the present one is possible. With advances in information technology, supported by the results of research and practice, we can envision what such a system would look like. Now it is time to begin the hard work of defining the strategies--legislative, administrative, technical, and political--that can make the vision happen.

Who Will Be Covered by this Vision?

This system will work for everyone who needs training, but some policies will need to be tailored specifically to the needs of populations:

1. In-school youth, including those in school-to-work programs
2. Youth and young adults without a high school diploma or equivalent or with limited English-language skills
3. Youth with a high school diploma and older adults

Of course, these groups overlap to some degree; our vision is of a permeable system in which services primarily designed with one group in mind will still be accessible to members of the other groups when appropriate. We do not want to put people in boxes; we want to expand their horizons instead.

- For in-school youth, the template for a coherent system of education and training is in place, traced out by Goals 2000, School to Work, and the proposed reauthorization of the Elementary and Secondary Education Act; the task now is successful implementation. This system is based on high standards for all, with federal resources concentrated on students, schools, and districts with the greatest needs. Components include state-defined systems of school-based, work-based, and connecting activities, relying on partnerships of schools, postsecondary institutions, and businesses. Credentials will include high school diplomas and skill certificates, based on high academic and occupational skill standards.

For this group, federal support is likely to continue to be provided for the most part directly to institutions. Policy options are likely to include ways of strengthening state-based systems to motivate students to acquire knowledge and

skills, help in finding and entering postsecondary institutions, and in finding opportunities to try out and reinforce their skills in the world of work.

- Youth and young adults (roughly under age 25) without a high-school credential or equivalent, and immigrants or others requiring English-language skills. This heterogeneous group includes, for example, young dropouts who could not "fit" within the traditional school system; teen parents; families on welfare; immigrants who need only English-language training to make them "job ready." These individuals, who are disproportionately represented among those who have low-skill, low-wage jobs or are unemployed, currently are especially poorly served by our haphazard training "system." Policy options for this group are likely to focus on stimulating states to devise strategies to move toward coherent training systems for youth, with the federal government providing states with broad performance-based block training grants and waivers.

Such strategies are likely to continue to focus on support for institutions, but there might also be experiments with structured voucher systems for this group. The key for this population is to provide a range of program services, within the state-designed framework. Access to coordinated services such as counseling, job-search assistance, child care, and the like, would need to be assured. For all experiments, strong accountability mechanisms based on student outcomes would need to be in place.

- Finally, for high school graduates and older adults, strategies will generally focus on providing support in the form of flexible vouchers and up-to-date, accurate information directly to individuals. Again, this is not a homogenous group. It includes those just out of high school who seek further education and training in postsecondary institutions. It also includes low-skilled adults needed both basic education and job skills to move ahead. This group also includes displaced workers, and incumbent workers who need training to improve their skills, career prospects and earning capacity.

For this group, we need a comprehensive set of strategies allowing access for all to high quality training that encompasses various types of institutional providers (community colleges, colleges and universities, community-based non-profit organizations, training institutes, and possibly employer-provided training). The system would be strengthened by access to "one-stop shopping" and by accountability mechanisms including outcome-based performance indicators for institutions. Such a system gives adults responsibility for making choices that affect their futures, while providing the information that helps ensure that those choices are good ones. It would be the foundation for true lifelong learning.

Principles for Action

The following five principles should guide decision making on specific workforce training policies to make the vision a reality.

1. Design a Coherent Framework

Training programs must work in a coherent and coordinated manner, and this principle should first be applied to federal programs. Programs that are duplicative or ineffective should be eliminated, and multiple programs with similar purposes and target populations, consolidated. Transitions from one part of the system to another should be as smooth and clear as possible. We must move toward a framework for lifelong learning. Nevertheless, the system should be characterized by multiple points of entry, multiple possible (positive) outcomes, and assurance that training taken by any individual is directed and sequenced.

2. Improve the Quality of Education and Training for Work

Education and training for all prospective workers should meet high standards in terms of program quality and outcomes. However, deciding on what federal "levers" can be used to improve the quality of education and training is difficult. Most tools available to federal policy makers are indirect. The advantages and disadvantages of consumer choice and competition as quality-improvement strategies should be taken into account.

Technology can be harnessed to improve the productivity of learning for youth and adults. Customization of software can offer teachers and students interactive, user-friendly formats that enhance learning. Learning can be further enhanced with simulations, tutorials, and networking for professional development, as well as qualitative matching of prospective job candidates with potential employers.

3. Develop an Effective Consumer Information System

Good information about the local job market, skill requirements of potential jobs, training program services, costs, and outcomes, and sources of financial assistance must be easily accessible to everyone in the community who needs this information.

At present, sources of information about employment and training are limited and scattered. The Reemployment Act provides a broad framework to develop a consumer information system. The Perkins Act and JTPA have performance indicators/reporting systems, but these have limitations, such as minimal requirements, lack of accountability mechanisms, and the potential for "creaming" in JTPA. Little information is easily available about training policies in the private sector. And, the information that employers get about potential employees' knowledge and skills tends to be inadequate for informed decision-making.

Again, technology can be a partner; it can be applied to organize resources at the local level and to gain maximum efficiency and effectiveness of "one-stop shops." The uses of technology include establishing joint databases of existing public and private sector information; developing new multiple sector programs and services across agencies; and providing for common networks for data and information collection.

4. Ensure Access for At-Risk Populations

While a federal workforce training policy should address the broad needs for a coherent, high-quality system for all, it should retain a focus on ensuring access for at-risk populations. These are the populations that today are least likely to receive training in the private sector. Federal training programs for at-risk populations must be of sufficient intensity and quality that youth and adults acquire the skills needed for long-term self-sufficiency.

Currently, federal training programs for out-of-school youth (ages 14-22) lack the quality, intensity, comprehensiveness, and adult role models that are needed to prepare them for productive lives. We have a whole set of training programs--JTPA, Adult Education, JOBS, Food Stamps, and others--that have been for the most part ineffective, in particular for young males. Moreover, we have added new programs (STW and Crime bill) to address this population. The problems of inner cities and some isolated rural areas continue to present special challenges to policy makers. Some innovative approaches like CET do seem promising; we should encourage replication of successful programs in other locations.

5. Use scarce federal dollars where they will have the greatest impact.

Some federal dollars should be used as seed money to leverage change in state and local training systems (similar to the school-to-work approach); others should be devoted to implementing the basic information technology and other infrastructure to support the new system. While decisions will need to be made in public fora on financing of services provided through federal programs, federal dollars beyond seed money and infrastructure still should be concentrated on at-risk groups, with federal expenditures gradually tapered so that for advanced skill training for the employed, for example, the private sector bears the burden.

Federal support for in-school youth should go largely to institutions; support to those with a high-school degree and older adults should for the most part go to individuals through vouchers, relying on their ability to choose the programs that best serve their needs. Also for this group, we should rely to a greater extent on income-contingent repayment of federally subsidized or guaranteed loans. For the middle group--out-of-school youth and young adults without a high school degree--a mix may be appropriate, with most resources going to institutions but experimentation with a structured voucher program.

Next Steps

Once we achieve consensus on a vision of the system we want, the shape of the populations groups affected, and a set of principles to govern action, we can move ahead to laying out a range of possible policy options (including both those that span all population groups and those that focus on specific groups). We need to think these options through in a careful analysis that draws on all the available evidence from research and practice and lays out the short- and long-term implications of adopting each of them. Each option entails cost, governance, and political implications that must be carefully examined and weighed before being advocated as Administration policy.

**Toward a National Workforce Training Policy
Part II: Options**

What is the Federal Role in Achieving the Vision?

The federal role is to build partnerships with states, local communities, and employers, to use its leadership and resources to leverage those of other systems. Key elements of a federal role include:

- o supporting the information infrastructure that can ensure that good information is widely available;
- o establishing standards of quality based on measurable outcomes;
- o creating or appointing "gatekeepers" to ensure that training programs meet established standards;
- o supporting research, evaluation, and development of models of best practice;
- o encouraging capacity building through technical assistance to institutions, localities and states;
- o providing incentives for firms and communities to provide high-quality training consistent with the standards--and for individuals to take advantage of it;
- o encouraging an atmosphere of experimentation at the state and local levels; and
- o making sure that at-risk groups--especially youth who have failed to secure basic knowledge and skills--have access to appropriate services.

POLICY OPTIONS FOR CONSIDERATION

**[OPTIONS TO BE IDENTIFIED AS IMPLEMENTABLE
"SHORT-, MEDIUM- OR LONG-TERM IN A LATER DRAFT"]**

First we present options that apply potentially to any of the three population groups identified above; then those likely to apply primarily to a specific group.

I. POLICY OPTIONS THAT CUT ACROSS SPECIFIC GROUPS

- A. **Rationalize and Coordinate Existing Federal Programs.** Consistent with government-wide efforts to "reinvent" and streamline government, some existing federally supported training programs can be consolidated or eliminated, while remaining programs should be better coordinated and made more consistent (a "top-down" strategy). We should develop a conceptual framework or template that links the School to Work and Reemployment Acts with other education and training initiatives, much as Goals 2000 and School to Work provide the template for ESEA and other elementary and secondary initiatives. In addition, possible strategies include:

- Eliminate unneeded federal programs by zero-funding those that are currently authorized and repealing them.
 - ED already has a bill drafted to repeal virtually all unfunded education and training authorities for which the Department has responsibility, and to repeal authorities for those proposed for termination in the FY 1995 budget.
 - DOL and other agencies could compile comparable legislation. The goals would be to clear the underbrush so that the next Congress can concentrate on real program reform.
- Consolidate and combine existing federal programs.
 - Grant competitions targeted at similar population groups or similar geographic areas could be consolidated.
 - Make definitions and administrative details consistent across existing categorical programs, through legislation or regulation.
 - Create common reporting forms and accountability mechanisms.
- B. Call for establishment of a Human Resource Investment Board, chaired by the Secretaries of Labor and Education and including representatives of HHS, Commerce, Defense, and other relevant agencies.
 - The Board's first product could be a report to Congress setting out in detail the consolidation options being proposed.
 - The Board's scope:
 - The Board could recommending specific ways to rationalize definitions, etc., across programs.
 - The Board could be charged with carrying out federal program consolidation recommended in Option A.
 - The Board could review waiver applications (see Option D. below)
 - The Board could be charged with providing analysis and recommendations of all policy change in the workforce training area; this might entail appointing an independent advisory commission to provide input from a broad spectrum

of individuals and groups at the local, state, and federal levels, including from business, labor, and the general public.

C. State level administrative consolidation: Provide incentives to states and localities to allow administrative consolidations for efficiency, to shift administrative resources into program resources, and, if possible to improve program effectiveness.

There is a model for state-agency/administration consolidation in ESEA. Many state agencies now exist because of federal laws requiring "single state agency" administration, or other limits on state flexibility. Under this option, governors may elect to combine the administration of all program operating through the same state agency, or among two or more state agencies. Program goals, performance standards and outcome measures, as determined by the cognizant federal agency, would have to be met, but any other administrative requirement (subject to the usual exclusions for civil rights and others) would be at the discretion of the Governor. Choice of programs for which to consolidate administration need not be because of common populations served or type of service, but rather because the Governor judges which state entity can best deliver the service.

- Saved administrative resources resulting from consolidation could be retained within the state and added to program activity. Provision could be made for rewards to states where net program effectiveness improves.
- If such an option were attempted, after four years of such activities, a Federal Council could send to Congress its findings on the efficiency and effectiveness of such arrangements and recommendations for statutory changes to make (1) the authority permanent, if it is judged that this is as far as the States can go on average, or (2) amend the affected statutes to combine administration as the norm, regardless of current administering agency.

D. Increase the Availability of Waivers.

Waivers could be liberally available to provide state and local administrative flexibility and pooling of funds to achieve specific purposes and specific outcomes. Expanded waiver authority could cover a broad range of specific legislative authority for training.

- Broadened use of waivers could be a temporary fix for the current "patchwork quilt", and a way to ensure local creativity. The use of waivers is essentially a "bottom-up" strategy--recognition that states know best what programs and services to provide if funding is flexible. We have waiver authority in the Goals 2000 and School to Work legislation, and waiver authority is proposed in the Reemployment Act. However, in these cases waivers are authorized to achieve specific program purposes.
 - States should be given strong encouragement to show that they, too, are waiving burdensome requirements on locals, where appropriate.
 - Ensure that programs are standards-driven and include a strong evaluation requirement with waivers to track and analyze outcomes of training.
 - Make sure that learning based on the results of waivers is fed back into the system.
 - Identify, publicize, and implement models and eliminate arcane regulations based on the results.
 - Consider using waivers as a means of eventually coordinating programs like ESEA and Perkins vocational education (secondary).
- E. Develop and apply academic and skill standards for all initial-training programs based on research and international benchmarks. As implementation progresses, it may be possible for standards to be set at different levels both to provide a baseline for acceptable preparation for entry level jobs, and provisions for more advanced training.
- Make sure acceptably rigorous skill standards are an integral part of School to Work, community college programs, JOBS, JTPA, and Reemployment programs that receive federal funding.
 - Benchmark newly developed standards to state-of-the-art instructional techniques and concepts, such as integration of academic and vocational instruction.
 - Make adoption of skill standards by programs or institutions a criterion for eligibility for student aid.
- F. Expand and coordinate federal technical assistance, research, and evaluation strategies to provide practical assistance to those working to build capacity and

improve the quality of training at the state and local levels. Involve at least the Departments of Education, Labor, Commerce, and Defense.

- Focus program evaluation on meaningful, realistic, clearly defined outcomes; provide (formative) feedback to programs and providers to improve program quality.
 - Disseminate evidence effectively on what works (e.g., contextual learning, career academies); assist with data collection/evaluation strategies; professional development strategies, etc.
 - Provide federally supported technical assistance to improve data collection and measurement of progress at the local level, cutting across programs like JTPA, School-to-Work, one-stop shops, defense conversion, etc.
 - Improve and coordinate existing technical assistance centers, such as Perkins Act's mandated curriculum coordinating centers, Chapter 1 technical assistance centers, etc.
 - Support research, development, and application of new technologies, for example:
 - distance learning
 - interactive learning methods
 - interactive job-match services
- [NOTE: THIS COULD BE PRESENTED AS A SEPARATE CROSS-CUTTING OPTION]

G. Fully utilize the potential of DOL's "one stop shops" for providing up-to-date information on training opportunities, including information on the requirements, costs, services, and outcomes of local training programs.

- These entities could be used to provide data to a range of potential customers, including youth seeking apprenticeship and other school-to-work opportunities, currently-employed workers seeking to upgrade their skills, and displaced workers seeking training to make them more "marketable." Information on job openings and job-search assistance would also be provided. Wisconsin's Career Information Centers are a possible model.
- In addition to providing data, career counseling and related services could be provided.

- Intake for many programs would be done at one spot, using common forms and definitions, and making use of a common information system with common core data elements. This could be done by fully utilizing the potential of DOL's "one stop shops" for employment and training information to provide consistent information on available services.

II. POLICY OPTIONS APPLICABLE TO SPECIFIC GROUPS

A. Population 1: In-school youth. This group needs career orientation, solid academic skills, and beginning to advanced occupational skill competencies, as well as to establish the foundation for good work and teamwork habits.

Systemic reform of the K-12 system is already being stimulated through a constellation of recently enacted and proposed legislation: Goals 2000, the reauthorization of the Elementary and Secondary Education Act (ESEA), and the School to Work Opportunities initiative. These soon will be complemented by upcoming reauthorization of the Perkins Vocational Education and Individuals with Disabilities Education Act (IDEA) legislation. In particular, Goals 2000 establishes a nationwide mechanism for ensuring high educational standards and definition of skill standards in occupational areas; the reauthorized ESEA is likely to include provision for states that so desire to consolidate administration of all of their federally funded programs within a single state agency. Each of the newly enacted laws also provides waiver authority to the Secretary to promote local flexibility.

Specific additional strategies to reinforce those already in place could include:

1. **Use a reauthorized Perkins Act to follow the framework and principles of the School to Work Opportunities Act and results of research and evaluation.**

The School to Work initiative's power rests on its ability to leverage other program funds to transform the transition from school to work. When reauthorized, Perkins Act and JTPA should reinforce the approach of School to Work and Goals 2000 (as ESEA reauthorization is being designed to make implementation of Goals 2000 a reality).

- **Use a wide variety of coordinated strategies in Perkins and ESEA to address the needs of in-school youth.**
 - **From the dropout demonstrations and other research (e.g., Gary Wehrlage's work) we know that there are some things that work to keep "at-risk" youth in school, including smaller "schools within schools" that provide a sense of "belonging" for otherwise alienated youth, and career academies and other programs that present academic learning in the context of real-world occupations. Indeed,**

JUN-06-94 MON 10:23 UNDER SECRETARY FRN NO. 2024013035 P. 11

these strategies appear to have promise for a fairly broad spectrum of students, and should be replicated.

- Continue to focus programs on the integration of vocational and academic skills and instruction.

2. Work with states to align academic content and performance standards, and occupational skill standards as appropriate, are incorporated in all secondary education and training programs (including Perkins Act) for youth.

This approach will help make sure that outcomes are judged by what students know and can do, not just whether they got a job or not.

3. Improve career information for high-school youth and their families.

- provide information at various locations--career centers, guidance counselors; in some communities, this may mean broadening the mission of the "one-stop shops" for information on youth apprenticeships, job skill requirements, etc.
- facilitate training for guidance counselors, teachers, and others who counsel students on career preparation.
- find concrete ways of helping parents to help their students become better informed about career options;
- with student/trainee consent, make information on their mastery of skill standards widely available to prospective employers.
- subsidize facilitators between schools and businesses for school to work programs; for example, to serve as job coaches for young people and to recruit employers for work-based component.

B. Population 2: Youth and young adults (roughly under age 25) without a high-school credential or equivalent, and immigrants or others requiring English-language skills.

This is not a homogeneous group. It includes, for example, young dropouts who could not "fit" within the traditional school system; teen parents; welfare recipients; immigrants who need only English-language training to make them "job ready." The key for this population is to provide a range of program services, within the framework of state-designed "youth systems" (the school-to-work model is applicable) to handle a wide range of "second-chance" services appropriate to the diversity of this group. These services are likely to include both those that provide up through secondary-level education (basic literacy,

ESL, GED-preparation), and those that provide occupational training. A "menu of services" or models could range from part-time basic literacy, ESL or GED-preparation, to intensive Job Corps or alternative schools whose methods and student bodies could attract students for whom traditional schools have not worked. It is reasonable to expect that the state systems also would provide support services like counseling, mentoring, child care, and the like.

For this group, federal policy should seek to leverage existing or newly designed systems at the state and local levels through performance-based block grants, with strong accountability measures based on student outcomes. Support would continue to go largely to institutions, although experiments with structured voucher system could be undertaken. Institutions would be accredited and state licensed, and would need to provide periodic performance reports including data on completion rates, employment and wage outcomes, and other measures (adjusted or reported in such a way as to discourage "creaming.") Further, all individuals eventually could have access to expanded "one-stop shops" to obtain up-to-date information and assistance in assessing their skills, locating training and sources of financing, and finding jobs.

Specific Policy Options for Out of School Youth and Young Adults without High School Degrees:

1. Stimulate states to move toward development of coherent approaches to out-of-school youth, along the lines of school-to-work. Stimulus grants would:
 - Provide broad waiver authority to combine and coordinate federal training programs.
 - Promote "one-stop shops" to facilitate the access to high quality training programs and information about the labor market. As these centers are implemented successfully, encourage expanding their mission to provide appropriate supports and continuous contact with adults through mentoring programs and the like.
 - Those now in the "ability to benefit" category--without a high-school diploma, but seeking training--could be required to be counseled and approved at the one-stop.
 - Encourage experimentation with a structured voucher system for out-of-school youth. For example, some states may want to experiment with systems of alternative public schools for those over a certain age, for which vouchers could be used. This options would need to be carefully constructed so as not to constitute an incentive to drop out of regular school programs.

- Develop a common set of skill standards that govern all entry-level training programs for out-of-school youth and young adults. These would be consistent with the standards for in-school youth.
 - Consider developing content standards for vocational education and training, potentially applicable to Perkins Act, Adult Education, Postsecondary Education, JTPA, and other programs.
 - Encourage use of master contracts so that youth-services providers can obtain funds originating in or channeled through various state agencies in an administratively simple fashion.
2. Refocus existing programs to begin constructing the framework for a coherent "youth system."
- a. Refocus JTPA on the needs of out-of-school youth. Use a reauthorized JTPA to emphasize long-term training and on-the-job training, along the lines of the CET program; continue vigorous experimentation within this program.
 - b. Implement a special Urban Strategy to address the problems of inner-city youth and young adults. Build on existing programs (Empowerment Zone/Enterprise Community initiative; Youth Fair Chance program), or design new training strategies for youth in urban areas. The YES and Ounce of Prevention provisions in the crime bill are first steps in this direction.
 - c. Refocus adult education through reauthorization of the Adult Education Act, JOBS, and other programs, pushing toward higher standards and a clearer focus on the knowledge and skills needed for work.

C. Population 3: High school graduates, college students, and older adults. Again, this is not a homogenous group. It includes those just out of high school who seek further education and training in postsecondary institutions. It also includes low-skilled adults needed both basic education and job skills to move ahead. This group also includes displaced workers, and incumbent workers who need training to improve their skills, career prospects and earning capacity. Because of the group's diversity, again, a menu of options must be available; however strategies for this group are likely to have in common that they provide support in the form of flexible vouchers directly to individuals. Vouchers could include grants as well as loans and could be used to support direct educational expenses and living expenses. The system would be strengthened by access to one-stop shopping and by accountability mechanisms including outcome-based performance indicators for institutions and further

enhancements in gatekeeping activities for institutional eligibility. This system would provide the foundation for true lifelong learning.

Currently, grants, loans, and work study opportunities are provided through Title IV of the Higher Education Act of 1965 to about six million postsecondary students, including those students who choose to pursue vocational education and training. A recent study conducted for the Department of Education by the National Research Council indicates that these programs provided roughly \$6 billion in fiscal year 1991--or 30 percent of total funds made available to all students through the programs--to support study in community colleges and proprietary schools.

In designing an approach for this diverse group of high school graduates and older adults, the first step is to examine how their different needs should be addressed. We must answer the following questions: who should receive grants to finance training? who should use loans? what amounts should they receive? what types of activities should be covered? And are vouchers appropriate for all needs of this group? For example, basic education skills for the disadvantaged might be supported through institutional mechanisms since the need for such skill is similar to the needs of groups 1 and 2. Eligibility for grants and loans could also vary for different types of training; for example, short-term training versus longer-term more intensive training.

After addressing the questions raised above, we must then redesign our student aid programs to more effectively support education and training. Currently, program requirements for student aid programs are almost identical for very short-term vocational programs and four-year academic programs. This causes problems in the allocation of resources as well as having all institutions meet requirements that may not be appropriate. Having separate grant and loan programs that focus on population subgroups or educational activities that are similar in nature is one possible approach. Another possibility is to continue the student aid programs as configured, but to allow for differentiation in the specific rules and requirements applied to different activities. Several ways to differentiate include differentiation based on financial independence or dependence of students; vocational vs. academic programs; program length--short-term versus longer-term;; and type of ownership--proprietary versus public or nonprofit.

Some specific policy options include:

1. For four-year and two-year colleges that give Associate and Bachelors' Degrees and for Graduate Degrees--Focus on quality:
 - o Keep in place and focus resources on implementation of the tried.
 - o Develop and implement an initiative to help institutions improve the quality of their instruction.

2. For all non-degree training programs unify Gatekeeping to Raise the Quality of Federally Funded Postsecondary Training [Include detail from Barry White's paper here.]
 - Only allow federal financial assistance (e.g., postsecondary student aid) to be used for programs that meet specific resource standards. This includes all of the institutions presently funded by DOL, HHS, etc. but not funded under the HEA Title IV. Use the SPREs, accrediting agencies, and federal oversight to track program quality in all of these training institutions..
 - o For all non-degree training programs, only certify those for eligibility for student financial assistance the programs of instruction that are consistent with occupational skill standards.
 - o Actively work on improving the quality of non-credentialed training through R&D and other means.
3. Establish Lifelong Learning Accounts that will be the Federal contribution to funding post-secondary education and training. In essence this account would provide a flexible voucher for all post-secondary students. The federal government would end direct institutional payments for programs at the post-secondary level. There are dozens of problems that would need to be resolved here.
 - Expand the use of loans to pay for training and cost of living during training, and encourage income contingent repayment where appropriate, to maximize efficient use of resources and improve personal commitment to success. [include detail from Barry White paper and other sources here.]
 - Consider a basic widely available grant for education and training [details to be fleshed out]
 - o Amount of account would need to vary by need and circumstance -- eg. poor students and dislocated workers would have larger accounts than well-to-do and active workers.
4. Convert Employment Service to One-Stop Mode to Provide Service to all eligible individuals (youth and older) and businesses. [Need to include detail from Barry White's Paper here]

5. **Establish local Workforce Investment Boards to coordinate and be the source of all local labor market information. These would make information available to the one-stops.**
6. **Provide incentives for the private sector to develop and employ consistent, quality training and continual skill development services for their incumbent workers. Workers with updated workplace skills are more valuable to firms and help to make them more productive and competitive. There is a range of options that should be considered, including:**
 - **The provision of training grants to increase employer investments in incumbent workers' workplace skills. Forty-six states had at least one state-financed training program in 1990. A recent study found that 157 small manufacturing firms in Michigan that received training grants from the state government roughly tripled the amount of training they provided to their workers in the year that they received the grant.¹**
 - **Providing a credit against corporate income tax that would apply to any increase in expenditure on training a firm makes above the expenditure for a baseline year.**
 - **Expanding and coordinating a federal and state technical assistance strategy that would help states to develop, evaluate, research and disseminate best work-based training practices.**
 - **Explore strategies to support employer-provided or -supported training to front-line workers (those who may be less likely than highly paid professionals to receive training). For example, explore the implications of adopting a payroll based training levy that would give employers a choice between spending a certain percentage of their payroll on training or contributing that percentage to a national fund for training initiatives**

-- **We should review the evidence on employer-provided training to understand more clearly the extent to which those at the "bottom" of the skill-ladder who need and can benefit from training are likely not to receive it.**
7. **Fund Baldrige-like awards for businesses with high-quality employee training programs linked to business plans and goals. [Add detail here from Barry White paper.]**

1. *Primetime for the Workplace: Charting a Course for Federal Postsecondary Training Policy*. National Research Council, 1993, p.8.

2. [cite to be provided]

3. Holzer, Harry et al., "Are Training Subsidies for Firms Effective? The Michigan Experience," Industrial and Labor Relations Review, November 1993.