

Wolfeboro Security

PHOTOCOPY  
PRESERVATION

- precedent for health care
- floor can become ceiling
- when do we move the position?
  - \* Natcher - now
  - \* others - later
  - \* interaction with Senate
  - \* clean bill out of the House?
    - Okey etc
    - stop the compromise to House moderates
  - \* room for anti-abortion forces to vent in the House
- moderate are being asked to vote for something in which they don't believe
  - R, I, L + [some health considerations]
    - \* severe adverse health consequences
    - \* doctor certification
  - health as the floor / relate to state laws

John L. ...

224-3239

Per. Hukewski

PHOTOCOPY  
PRESERVATION

Choice

PHOTOCOPY  
PRESERVATION

March 7, 1994

To: Bob Reich, Doug Ross, Larry Katz  
 From: Gene Sperling  
 Subject: Presentation of Re-Employment

I believe that we will position ourselves better on the re-employment act if we stress as much as possible that we are fixing a broken system, and focus more prominently on the aspects of the plan the promote choice, accountability and links to the market. I believe that if this issue becomes a political hot-potato, than the opponents will seek to stick us with every failed training program and suggest that we are seeking to throw more money at programs that do not work. They will likely then try to say they are for re-employment that is more private sector-oriented and ends programs that don't work. That is why I believe our lead message has to be one that stresses that we are running against the current structure: we are for accountability with a bite, because past programs haven't worked. We are for market-driven solutions, because we want businesses and unions -- not bureaucrats -- telling people what the jobs of the future are.

Right now, because we tend to emphasize the programmatic changes one-by-one, the accountability message is not prominent enough. I suggest that rather than make separate points out of the structural changes we are making in the re-employment, we should merge those points under the single notion of giving workers a panoply of re-employment choices, merge the one-stop and consolidation into one point, and then make the third and fourth categories "market-driven policies" and "accountability." These are all themes that Bob R. and Doug have stressed for years -- so it is really just a matter of what we emphasize, but that will be critical to how this is positioned. The other benefit, is that if one says we don't give enough "choice" or are not "accountable" enough, we can say that those are our themes, and we are willing to work to make it more than way.

In any case, we should discuss the message with some White House/communication ftypes as soon as possible. I'm going to see if it is possible to have a Tuesday morning conversation.

## **1. EMPOWERING WORKERS WITH CHOICES FOR RE-EMPLOYMENT:**

The old system was geared to holding people over during unemployment. The new system is geared to empowering individuals with a range of choices for re-employment.

- **Early outreach:** to deliver help immediately and make workers aware of all options for re-employment.
- **Jobs Bank** -- national labor market information system
- **Job search assistance, counseling**
- **Entrepreneurial training**
- **Long-term training** for complex new skills
- **Income contingent loans** opportunities when grants do not go far enough
- **On-the-job training**
- **New Business Opportunities:** Ability to use UI funds to start new business
- **Certificate of Continuing eligibility:** allows workers who take lower paying jobs to continue training.

## **2. REPLACE FRAGMENTED PROGRAMS WITH ONE-STOP, ONE-PROGRAM**

- **One Program:** Now there are six dislocated programs and have to go to categorical adjustment programs into a new comprehensive program for all dislocated workers.
- **One-Stop Shopping:** Before you would have to go to as many different bureaucracies and government windows as there were aspects of different programs. Now, there is one program and one-stop shopping for the many options workers will now be empowered to consider.

**3. MARKET DRIVEN TRAINING PROGRAMS:** We can't have programs that train people for jobs that aren't there. We need to have private sector -- business and unions -- guiding the training and standards so that we are investing in putting people where jobs are.

- **Workforce Investment Boards:** majority must be made up of business, but unions also have representation.
- **On-the-Job Training:** Workers can options to spend their training dollars on on-the-job training or in setting up their own business.
- **Businesses and unions One-Stops:** Businesses and unions can establish their own One-Stop centers for employees and members affected by layoffs and closing.
- **Work-sharing:** Businesses can work with the unemployment insurance system to avert some short-term lay offs by shortening average hours and letting workers collect UI until business rebounds. This experiment has been tried in California and successfully with Motorola (?)

#### **4. ACCOUNTABILITY:**

We need to make sure that the programs we invest in work and are accountable. Too many dollars have been spent on fly-by-night proprietor schools and on programs that do not have proven results. We need a new era of accountability. Most

- **Consumer Report:** graduation rates
- **Warranty:** those who bid for federal dollars should be willing to provide a warranty to any business who takes a graduate. If their skills are not up to speed, they must provide the additional retraining at no cost to the business.
- **Competitive Bid:** both non-profit and for-profit private organizations can compete for dislocated worker training businesses.
- **Enforceable Performance standards:** The Secretary of Labor will define specific performance standards. Those falling below national standards may lose their contract.

XC: Dalton - fyi

THE PRESIDENT HAS SEEN 3/4

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR  
WASHINGTON, D.C.

MAR 1 1994

94 MAR 4 10:30

MEMORANDUM FOR THE PRESIDENT

FROM: Robert B. Reich *BSM*  
THROUGH: Robert Rubin *Smith*  
SUBJECT: The Reemployment Act of 1994

We are in the final stages of preparing the Administration's Reemployment Act proposal. This memo brings you up to date on the state of the proposal, plans for introduction, and some remaining issues you should be aware of.

The Proposal

The Re-Employment Act will have these key features:

1. Consolidation and coordination. The Act consolidates all six existing "categorical" adjustment programs (for dislocations due to trade, defense conversion, etc.) into a new, comprehensive program for all displaced workers. It also lets States opt into a broader plan for coordinating the delivery of JTPA Title II, veterans' training, Senior Community Service Employment, and other workforce programs.
2. Reemployment services. Services for dislocated workers include: (a) early outreach, to deliver help quickly; (b) basic readjustment services, including information on jobs, job search assistance, and career counseling; (c) long-term training--with income support--to those who need and want it; and (d) a single point of contact for career counseling, information on jobs and training programs, UI claims processing, and other services.
3. Job information. The Act also establishes a national labor market information system to improve and knit together various job data systems. An integrated, computer-based network will deliver information on current job openings, trends in job opportunities, profiles of local employers, job qualification requirements, and--importantly--the performance of training program managers and service providers.

4. Serious retraining and support. Most dislocated workers need only counseling and information to get new jobs. For those who do need retraining, short-term programs are seldom enough. The Act provides access to longer-term retraining, and financial support to let workers complete serious programs. Workers can get training grants worth up to \$4,750 per year, for up to two years. Once the system is fully implemented, most dislocated workers enrolled in long-term training will receive income support if they have at least 1 year of tenure with their previous employer. (During the FY 1995 - FY 1999 transition, income support for those with less than 3 years of job tenure will depend on discretionary, not mandatory funding. Beginning in Fiscal Year 2000, the FUTA 0.2 offset will be used to fund all income support on the mandatory side.) Income-contingent loans play a key role in making training possible for workers who need especially long-term training, or who aren't eligible for sufficient income support.

5. One-stop. The bill requires States to coordinate services for dislocated workers through career centers. It allows States to compete for funds to develop a more ambitious network of one-stop career centers to serve anyone who needs help getting a better job--not just dislocated workers--and to coordinate the delivery of a wide range of employment and training programs, including programs for welfare recipients. About six States can win one-stop implementation grants in the first year; all fifty States will have the opportunity to implement the one-stop system over the next five years.

6. More accountability. State-level "customer service compacts" and performance standards (for program operators, career centers, and service providers) will improve accountability for dislocated-worker programs in all States. As States opt to build universal one-stop systems, they commit to more rigorous reforms:

- A State Human Resource Investment Council, optional under current law, will be required.

- Local "Workforce Investment Boards"--appointed by local elected officials--will oversee the one-stop career centers, and serve as the "board of directors" for all local workforce programs. The Boards cannot operate programs themselves. Business representatives, limited to CEO's, plant managers, and business owners, must form the majority; labor, public officials, community and education leaders are also represented. (A JTPA Private Industry Council may become a Workforce Investment Board, but only if it meets the Act's more stringent criteria.)

- One-stop career centers may be run by a consortium of organizations, centered on the Employment Service, the State UI agency, and agencies administering JTPA Title II and the Reemployment Act's dislocated worker program.

■Alternatively, Governors and local officials can opt for a more competitive approach, consistent with the National Performance Review's recommendations. Under this option the Employment Service, but also other organizations (including dislocated worker center operators, JTPA programs, community colleges, and private for-profits and non-profits) are chartered to run one-stop career centers.

■Under either option, one-stop career centers will be required to meet customer-oriented performance measures, and will be evaluated each year.

7. Implementation phase-in. Your FY 1995 budget includes \$1.465 billion for dislocated workers--an increase of nearly one-third over the FY 1994 base of \$1.118 billion. It also includes \$250 million for the first round of grants to States ready to build one-stop career center systems to serve all workers. When fully implemented (in FY 2000) the system will serve 1.3 million dislocated workers yearly--the entire population we expect to need reemployment services--at an annual cost of \$3.4 billion. The phase-in schedule is summarized on the attached chart.

### Introduction Strategy

The goal is enactment of the Reemployment Act of 1994 before the end of this session of Congress. To raise the odds of rapid passage, we have conducted extensive advance discussions with major stakeholders. We are working simultaneously with four authorizing Committees, while crafting a stakeholder coalition. Both House Ways and Means and Senate Labor and Human Resources prefer a two-bill approach, separating out the income support component. The elements of the Act would move through committee in tandem, and could be rejoined on the floor.

Reaching a common position on the major provisions of the proposal will let us present the legislation as a consensus bill in early March. We are seeking your participation in an "introduction-day" event with Congressional sponsors, labor and business leaders and selected Governors and Mayors, to occur within the next two weeks.

We are aiming first for passage in the House. Education and Labor Committee Chairman Bill Ford has agreed to introduce the bill, supported by Subcommittee Chairman Pat Williams. Chairman Rostenkowski will work with us on the bill providing income support on the mandatory side of the budget. Senators Kennedy and Metzenbaum will take the lead in the Senate. We are working with Senators Bradley and Rockefeller to move the Act through the Finance Committee. (Senator Bradley will be a sponsor.)

## Issues to note

You should be aware of certain issues, and the shape the debate is likely to take:

■ Consolidation: While the Act immediately consolidates six programs, and builds a framework for further consolidation, some critics will dismiss it as too timid a step towards streamlining. Labor groups, on the other hand, may press to keep Trade Adjustment Assistance out of the Reemployment Act.

■ Competition: The Act stops short of the National Performance Review's recommendations for competition among alternative suppliers of reemployment services--States may choose between a competitive or a "consortium" approach, and the Employment Service retains advantages under either option. Yet some labor groups still feel it goes too far in threatening the franchise of the Employment Service.

■ Displaced Homemakers: Advocates (including some key Hill staffers) have pressed to grant full eligibility under the Act to "displaced homemakers"--women who have lost their livelihoods to divorce or widowhood. But the number of such women far exceeds the number of economically dislocated workers, and full inclusion would swamp the program. We are seeking compromise, but the issue will likely resurface.

■ 0.2 percent FUTA: Business and Republicans may resist devoting the 0.2 percent FUTA tax to pay for retraining income support following its scheduled 1999 expiration, even though the tax has been extended repeatedly since its original 1987 expiration date, and another extension is widely anticipated.

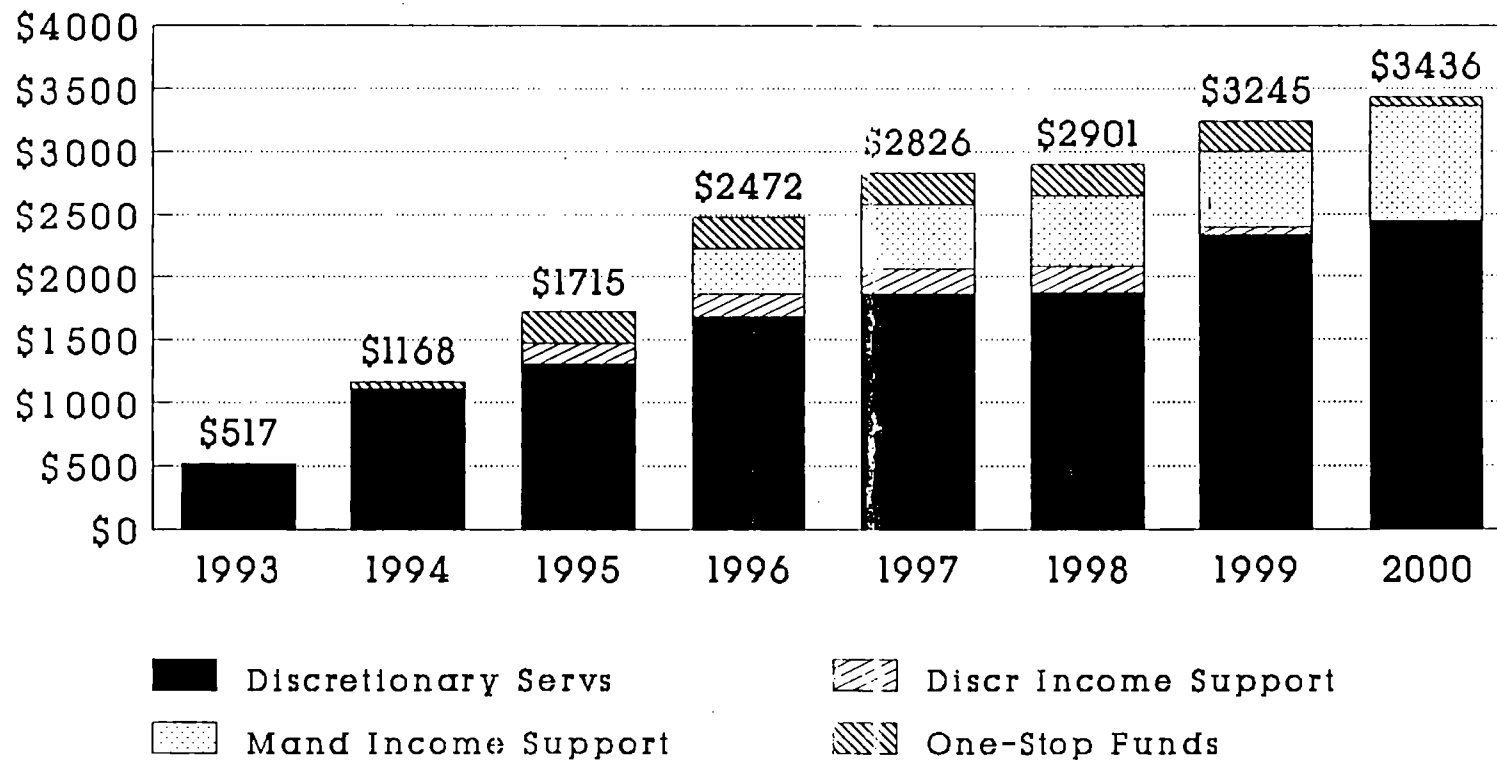
*. \$14/year/worker  
or extension  
not a new  
tax*

■ Plans for the disadvantaged: Some advocacy groups feel that the reemployment initiative has eclipsed targeted employment and training programs for the disadvantaged, and may condition their support for the Reemployment Act on an Administration commitment to focus more on programs for the disadvantaged. (In fact, you are seeking a 13 percent increase in such programs for FY 95. There is also a substantial overlap between the two groups: Disadvantaged workers are especially likely to be dislocated from their jobs.)

# THE REEMPLOYMENT ACT OF 1994

## Funding by Category\*

### Mandatory or Discretionary



FY93-94 includes only EDWAA  
(Does not include TAA, DDP, DCA,  
Clean Air or NAFTA Bridge)



January 26, 1994

The President  
The White House  
Washington, DC 20500

Dear Mr. President:

Together we represent the leadership of the National Governors' Association on education, welfare reform, and job training issues. We have been actively engaged with your administration over the past year in developing proposals to reform the welfare system and the education system, and to restructure aid to dislocated workers. We believe such reform is necessary to achieve important goals that we all share, such as developing a high-skill, high-wage workforce, building a prosperous economy, and fostering strong, self-sufficient families.

A common thread running through many of these diverse reform efforts is how best to deliver job training services to youth and adults. For example, the Department of Education is rethinking the role of student aid programs in funding job training; as you know, student aid is currently the single largest source of federal funding for job training. The Department of Health and Human Services is proposing a vast expansion of its employment and training program for welfare recipients. The Department of Labor will soon release its proposal to restructure and greatly expand assistance to dislocated workers, and to promote "one-stop career centers" for DOL-funded job training programs. The department also plans this year to begin redesigning its job training program for low-income adults, Title II of the Job Training Partnership Act.

We welcome this attention to workforce development issues and, indeed, a number of the proposed changes are ones which the Governors have long supported. We have seen over the past year, however, that just as responsibility for job training is scattered across numerous federal agencies, reforms in these programs are proceeding in a piecemeal way which mirrors and will add to the fragmentation of federal job training efforts. Unless a serious effort is made soon to *integrate* these reform efforts before legislative proposals are introduced, we will all lose an important opportunity to consolidate and improve these programs in ways that benefit both taxpayers and the customers of job training services.

We would like to propose forming a joint work group with your administration to address this problem. The work group would be composed of senior staff of the Governors most active on workforce development issues and appropriate staff representatives from the White House and the relevant federal departments. The purpose of the work group would be to ensure that any changes in federal job training programs — including federal student aid — fit into a larger strategy for creating high-quality, well-integrated workforce development systems at the state and local level.

This joint work group could pursue this national strategy to promote integrated workforce development systems in two ways. First, the group could help the government change the way it does business by helping federal agencies develop job training initiatives in an integrated way so that, taken together, these initiatives reduce rather than increase the existing problems of different eligibility and reporting requirements, and fragmented lines of authority for operating programs. To date in your administration, the departments have relied chiefly on new waiver authority to promote better coordination of programs. We welcome this new flexibility, however, we believe that it will not be enough. The federal government must also address the tough work of developing a coherent, integrated workforce development policy.

Second, the work group could explore ways, in addition to waiver authority, to increase state and local flexibility in administering job training programs. Where political obstacles prevent integration of programs at the federal level, better access to higher quality job training and employment services can best be achieved by giving states the flexibility to integrate similar programs, to determine the appropriate governance structure for state workforce development systems, and to set high, outcome-based standards for services. New waiver authority is helpful to a certain extent, but as a nation we will move very slowly toward the goal of integrated workforce development systems if each state must apply separately to each different federal department for permission to integrate programs.

In sum, we believe that efforts to reform and expand workforce development programs must recognize that these programs share many of the same customers. We would like to work closely with your administration to ensure that each job training initiative complements the others, and that their combined effect is higher quality, more integrated, and more accessible workforce development systems. We look forward to hearing from you soon.

Sincerely,



Governor Carroll A. Campbell Jr.  
Chair, National Governors' Association



Governor Howard Dean  
Vice-Chair, National Governors' Association



Governor Pete Wilson  
Chair, Human Resources Committee



Governor David Walters  
Vice Chair, Human Resources Committee



Governor Jim Edgar  
Co-Chair, Education Leadership Team



Governor James B. Hunt Jr.  
Co-Chair, Education Leadership Team



Governor John Engler  
Co-Chair, Welfare Reform Leadership Team



Governor Tom Carper  
Co-Chair, Welfare Reform Leadership Team

cc: The Honorable Robert B. Reich, Secretary of Labor  
The Honorable Richard Riley, Secretary of Education  
The Honorable Donna E. Shalala, Secretary of Health and Human Services



January 13, 1994

IMMEDIATE ATTENTION

**Memorandum**

To: Nikki McNamee  
Tom McCaffery  
Terri Moreland  
LeAnne Redick

Kathy Hoyt  
Kristin Ames  
Debra Bryant  
Liz Ryan

From: Julie Strawn and Patricia Sullivan, Human Resources Group

Re: Possible NGA-Administration Work Group to Integrate Job Training Initiatives

We would like to arrange a *brief* meeting with all of you for 11:30 a.m. this Friday in conference room A of the Hall of States to discuss a problem we have encountered that cuts across welfare, education and job training policy. (A conference line will be available.) We apologize for the short notice but, given that next week is a short week, we thought it would be worth trying to have an initial conversation on this tomorrow. The problem is that various federal departments are simultaneously moving forward with separately developed employment and training initiatives and it appears that no one in the Administration is responsible for seeing that all of these initiatives fit together. We are concerned that an opportunity will be lost for simplifying and consolidating federal job training efforts, and that these new initiatives, if pursued separately, may in fact make it harder for states to efforts to build integrated workforce development systems. NGA efforts to address this problem within the context of each separate job training initiative have met with resistance because each department is often unwilling or unable to put forward proposals whose scope goes beyond its own department's programs.

After discussing this with Ray, Margie, Evelyn, and Susan, we think that a possible solution may be for NGA to approach the Administration about forming a joint work group on this issue. The problem and the proposed work group are described in more detail below. If Governors' staff think that a work group is a good idea, then we would propose sending the attached letter from your eight Governors to the President which suggests a meeting with the Administration on this issue around the winter meeting. Because there are other Governors beyond these eight who are interested and involved in integrating their workforce development programs, the work group might include other Governors in addition to those that sign the letter. If you cannot attend the Friday meeting, please let us know and we can try to find another time to get together. We would like to discuss this soon, however, so that we know whether to try to plan anything around the winter meeting or not. Our numbers are 7723 (Patty) and 7823 (Julie).

Background

The Governors adopted a workforce development policy at our annual meeting last August that urges the federal government to integrate and consolidate federal job training programs and to give

states more flexibility to create unified workforce development systems at the state level. (See attached policy.) Unfortunately we have not made much progress to date in carrying this policy out. The Administration has embarked on a variety of employment and training initiatives that create new programs and restructure existing ones. But these initiatives are scattered across a number of different departments and, with the exception of the school-to-work bill, have not been developed jointly and so preserve the existing fragmented administration of programs. Examples:

- The Department of Labor's proposed legislation to create "one stop career centers" focuses only on consolidation of DOL programs and creates waiver authority only for DOL programs. NGA has told DOL that existing state one-stop initiatives generally involve programs funded by other departments — especially welfare-to-work programs — and that their proposal needs to be broader and more flexible. DOL's response has been that they don't want to slow down or complicate their proposal by involving other departments.
- The Administration's draft welfare reform plan, which was written by HHS, would put about twice as many people in welfare employment programs as are now served by all DOL and HHS job training programs combined. The plan contains no references to employment and training programs outside HHS, and the section on reinventing government addresses only the simplification and integration of income assistance programs — not training programs. Yet most participants in the current HHS welfare-to-work program rely on services from other DOL and ED programs, and conflicting rules between programs in the three departments have created numerous problems for states.
- The Department of Education has begun an initiative to restructure student aid programs, and in particular, to rethink whether student aid should continue to be the largest single source of federal funding for job training. So far no other department has been involved. Any changes here would have enormous implications for all other employment and training programs since student aid funds much of the training for their clients.

This problem really has two aspects. The first challenge is getting the Administration to develop its job training initiatives in an integrated way so that, taken together, they don't increase the existing problems of different eligibility and reporting requirements, and fragmented lines of authority for operating programs. For example, since the same disadvantaged adults are served by federal welfare reform, student aid, and Job Training Partnership Act programs, Administration reform efforts in all three of these areas should be cross-walked as they are developed so as to minimize problems for clients, and for states and localities.

The second challenge is to get the Administration to include more flexibility in its employment and training proposals so that to the extent that Congress isn't willing to consolidate these programs at the federal level, Governors have the ability to integrate them at the state level. The Administration has shown a willingness to include new waiver authority for states in a number of its legislative proposals. Such waiver authority is helpful, but still means that each state has to apply separately to each of the different departments in order to build an integrated workforce development system. So far individual departments have not been responsive to NGA recommendations for simpler mechanisms for increasing state flexibility to consolidate job training programs. For example, the Dept. of Labor opposed an NGA amendment to the school-to-work bill that would have allowed states the option of consolidating certain existing ED and DOL school-to-work programs into one unified school-to-work system.

### Action Proposed

We believe that the Administration would be willing to address this problem if there were a mechanism for examining Administration proposals in this area across departments. We suggest that NGA contact the Administration and propose the creation of a joint work group whose purpose would be to promote the coordination and integration of federal job training initiatives. Such a work group would have to be formed

soon, however, certain key initiatives (like DOL's one-stop shopping proposal) are moving quickly. If we sent a letter to the Administration in the next few days, it might be possible to have a first meeting of the principals in the group around the winter meeting, which would then set the stage for subsequent work at the staff level. A draft letter is attached for your consideration.

THE PRESIDENT HAS SEEN 1/24

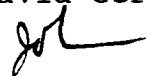
THE WHITE HOUSE  
WASHINGTON

January 23, 1994

MR. PRESIDENT:

Attached is a memo from Secretary Shalala and Secretary Reich recommending presenting welfare reform and dislocated workers legislation through a unified thematic approach.

Since this is really an argument for presentation in the State of the Union, I'm forwarding it directly to you without a reaction from Rubin and Rasco. I have sent copies to David Dreyer as well as Bob and Carol, George, and David Gergen.

  
John Podesta

94 JAN 21 P7:40

JAN 21 1994

MEMORANDUM FOR THE PRESIDENT

From:



Donna E. Shalala  
Secretary of Health and Human Services



Robert B. Reich  
Secretary of Labor

To Charles et al  
cc: Dien  
GS et al

SUBJECT: A Possible Joint Strategy for Welfare Reform and Dislocated Workers

Two major domestic initiatives will soon be moving forward: dislocated workers and welfare reform. As these proposals have developed, we have become increasingly aware of some common underlying themes and elements. This memo considers the logic of coordinating both the substance and the message of the proposals. In particular it raises the possibility of linking them thematically as part of the State of the Union address.

**Work, Training, and Responsibility for All Workers**

Both welfare reform and the dislocated workers initiative focus on transforming current systems of income support into ones emphasizing and facilitating work. Both proposals (and, indeed, a third--the School-to-Work Opportunities Act) reflect the Administration's themes of the importance of work, of education and skills training, and of the need to ease labor market transitions. Both contemplate an early assessment of the participants' needs and prospects. Depending on the outcome, a combination of job search assistance and education/training is the next step. Both systems are geared towards employment or reemployment into jobs of reasonable quality. Legislative action on both bills will be concentrated in the labor and finance committees. Both proposals are also concerned with reinventing government, either through simplification and coordination of program eligibility and benefits (welfare reform), or through replacing a fragmented system with a one-stop approach servicing all eligible workers (dislocated workers). And both offer access to training and income support, but put responsibility on individuals to take advantage of them and move forward.

Of course, the two proposals have important differences. Welfare reform is targeted at poor single mothers, many of whom lack skills or have spent little time in the labor market. The dislocated workers proposal is targeted at experienced workers who may have outdated skills.

Part of the motivation behind welfare reform is the belief the current welfare system seriously impedes and discourages many recipients from working and that some are not doing enough to find work. There is much less concern about these problems for the unemployment insurance system. The unemployment system is an insurance system--financed by payroll taxes. Welfare is paid from general revenues.

Moreover, while the dislocated workers proposal is almost purely a reemployment and retraining initiative, welfare reform ranges well beyond employment issues, including elements to make work pay and collect child support. The motivation behind changing from an unemployment to a reemployment system is that in today's economy--dominated by technological change, corporate downsizing, and international trade--most unemployed workers will not get their old jobs back. And because of the difference in target groups, the political contexts for the proposals are dissimilar, too.

Nonetheless, the similarity in philosophy and approach suggest that a coordinated strategy may be appropriate.

### **A Coordinated Strategy and a Common Message**

DOL and HHS are seeking to forge coherent links and effective alliances between the two programs. We are working to eliminate duplication, administrative rigidities, and contradictory rules and regulations that make it difficult for communities to create a coherent training strategy. Welfare reform contemplates increased access for welfare recipients to education and training programs provided through the Departments of Education and Labor. Information systems developed for DOL's one-stop displaced worker initiative can be made available for welfare recipients. We also suggest establishing some form of Human Resource Development Board comprised of the Secretaries of HHS, DOL, Education, DOD and possibly other departments with authority to waive regulations and cut through bureaucracy when states and communities come forward with comprehensive reform proposals for helping workers prepare for and find new jobs.

Because of the very different populations served, the nature of existing funding streams, committee structures, political constituencies, and administration, we do not believe a single fully integrated program with a single piece of legislation makes sense currently. Later, as the "one-stop" idea grows to cover all workers and state and local governments gain experience, we can move toward a truly integrated system of training and retraining for all those in need of service.

Nonetheless, the commonality in the underlying ideas suggests a simple and powerful message about work in America. As you have repeatedly emphasized, work gives structure and meaning to our lives. The old strategy for the poor has been welfare, not work or training. The old strategy for displaced workers emphasized unemployment compensation, not reemployment into new jobs. Government's first role ought to be helping people move into jobs--jobs with a future--rather than providing cash as a substitute for a paycheck. The needs of different populations differ: some single parents on welfare need to move into their first job, some people need education to move into better jobs, displaced workers need

retraining to compete for the higher skill jobs of the 90s. High school students who will choose not to go to college need skills to move from school to work. Indeed, it might make sense to include an even broader range of issues under the work theme, including the School-to-Work Initiative, and an explicit effort to improve the employment prospects of disadvantaged teens. Because the populations differ, the strategies will differ. But the basic message will not. Work is the foundation of the new direction plotted by the Administration. We have initiatives involving welfare-to-work, school-to-work, and work-to-work.

### **Some Key Questions**

In thinking about how the proposals should be described and linked, we should be aware that focussing on the proposals together will lead to inevitable comparisons and at least a few tough questions.

- Are the poor and dislocated workers being treated fairly relative to each other? People will ask whether the poor are getting access to some services that displaced workers are not. Are resources allocated fairly between the groups? Others may wonder whether more is being asked of the poor (with sanctions and participation requirements) than is asked of displaced workers, and if so whether that is justified?
- Is the job focus of the initiatives different? Are displaced workers being trained for the high skill jobs of the 90s while welfare recipients are being placed in low-skill, low-paying jobs? (Answer: Both programs provide access to education and training, and for people who have little or no work experience, often the best way to get a good job is to start with any job and then build up skills and experience to move forward.)
- Who is left out? The two proposals cover most unemployed job losers who qualify for unemployment insurance and unemployed welfare recipients. But what about the group of workers -- often the working poor or job seekers -- who fall into the gaps between the unemployment insurance and welfare systems? Currently, both proposals go only part of the way toward filling these gaps.

Of course many of these are legitimate concerns that will have to be addressed whether or not the programs are closely linked rhetorically and thematically. They do bear discussion.

### **Recommendation**

It probably makes the most sense to link the proposals thematically, but to keep them separate legislatively. In certain settings, such as the State of the Union address, the thematic links can be expressed. Building support for the principles underlying the proposals can help move them forward and can lay the groundwork for further complementary initiatives. This will provide a sense of direction and coherence in overall policy. Nevertheless, the linkage should be done carefully, so that some of the distinguishing features of the proposals remain clear.

## U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR  
WASHINGTON, D.C.

## MEMORANDUM TO THE PRESIDENT

FROM: Labor Secretary Robert B. Reich

DATE: January 19, 1994

RE: A proposed Human Resources Development Board

*file*

I suggest that you establish a cabinet-level Human Resources Development Board, composed of the Secretaries of Education, Labor, HHS, and Defense. The Board would coordinate the Administration efforts to upgrade Americans' skills. It would also offer "one-stop" processing of state requests for waivers on rules governing a wide range of federal programs, thus facilitating state-level coordination and innovation. The Board's creation would be a low-cost enhancement to the jobs agenda, and hammer home the "reinvention" theme. If you decide in favor, it might merit mention in the State of the Union.

Procedurally, the Board would function as a sub-group of the NEC and the DPC.

## BACKGROUND

Several of your "lifelong learning" initiatives are coming together in the next few months: Goals 2000, voluntary skills standards, and the School-to-Work apprenticeship program have all made it through the House and are poised for Senate action; all enjoy strong bi-partisan support. The comprehensive "new skills, new jobs" initiative for dislocated workers will be introduced by the end of February. As you know, it will consolidate separate adjustment programs geared to specific causes of dislocation--import surges, defense conversion, base closings, the Clean Air Act, and so on--into a single "re-employment" system. It will provide one-stop access to services based on what's needed to get a new job, not on the reason for losing a previous job. All told, the FY 95 budget you will propose to Congress increases funding for lifelong learning by \$3 billion--a 22 percent increase over 1994.

In addition to these initiatives for new entrants into the workforce and for dislocated workers, the Administration will be taking major steps to help the disadvantaged make successful transitions into the working world. Your welfare reform proposal aims to move poor single parents into the workforce, and keep them there, through skill-building and job-search assistance. Meanwhile, JTPA Title II programs for the disadvantaged are under

review at the Labor Department, with an eye to refinements and reform. And the Job Corps--clearly one of the most effective programs for battling poverty through workforce investment--is being expanded.

Finally, some of America's best skill-building programs are run by the Department of Defense. No other Department equals DOD's capacity for human resource development, and so far only a small part of that capacity has been deployed in the service of the broader jobs agenda.

#### THE NEED FOR FLEXIBILITY AND COORDINATION

There is often duplication--or, at the very least, inadequate coordination--at the federal level. Consider the sheer number of employment and training programs: The Department of Education is responsible for 60 programs; Labor has 36; HHS runs 14; and Defense and Interior, 2 each. Even though missions, methods, and target groups often overlap, hard-won insights about what works and what doesn't are too rarely shared.

Some states and localities already are experimenting with novel ways to deliver employment and training services. But federal rules, regulations, eligibility standards, governance structures, and administrative procedures form an intricate network of constraints. The programmatic consolidation and streamlining we have proposed will clear away some of this thicket. But these changes will take time. Under the best scenarios, moreover, many of the procedural constraints will remain.

Cross-cutting, partly overlapping, even conflicting rules act as a barrier to efficiency and a brake on innovation. As you know from your days as Governor, loosening a process constraint is often worth more than additional money to front-line program managers. Yet no provision lacks its rationale; none lacks defenders. Attempts to gain flexibility on a "retail" basis--requesting waivers one by one, from each relevant authority--are time-consuming, often frustrating, seldom wholly successful.

The idea of a coordinated "wholesale" approach to waiver authority has been gaining momentum:

--The 1992 amendments to JTPA gave states the option of establishing a Human Resource Investment Council that consolidates the governing bodies required by vocational education, job training, employment service, welfare, and other programs, and gives governors a focus point for workforce policy. Eight states have set up such Councils already, and two more will do so this year. Eighteen other states have made partial steps in this direction.

--The National Governors' Association has strongly endorsed this approach, and upped the ante by calling for similar measures to improve coordination among federal human-resource agencies.

--Our National Performance Review proposed a Workforce Development Council charged with crafting a core set of uniform terms and definitions, standardizing fiscal and administrative procedures, and developing coherent, results-oriented performance measures that cut across programs.

--At a meeting of welfare and training-program practitioners that Labor and HHS convened last fall, the group specifically called for a high-level "waiver board" to foster collaboration and facilitate the resolution of state requests.

"Better-coordination" always sounds good in the abstract, of course, and we must beware of forcing false synergies. In this case, though, a coordinating institution probably makes sense. Your jobs agenda involves merging the efforts of separate organizations with separate histories, distinct legislative mandates, divergent regulations, different management procedures. Administrative laissez-faire could be disastrous.

Some of the pieces, moreover, are already in place or in process. Most means-tested programs (AFDC, Food Stamps, Medicaid) already feature some waiver authority. For now, JTPA, Voc Ed, and Adult Education lack such provisions--but the School to Work Opportunities Act provides some flexibility for Voc Ed and JTPA youth programs, and the comprehensive dislocated worker proposal provides waiver authority for JTPA adult programs and the Employment Services.

A federal Human Resources Development Board--which you can establish by Executive Order--could deploy these waiver provisions more effectively, and maximize the impact of your workforce initiatives.

#### PROS:

--The Board could liberate proponents of innovation in the states and localities. (To dampen fears of wholesale resource-shifting, the Executive Order could specify that the Board would not create new waiver authority, but only coordinate the exercise of duly authorized flexibility.)

--It could raise the profile of the jobs agenda and underscore for the public the connections among the agenda's components, boosting confidence that workforce investments will be well spent.

--A coordinating body would speed the evolution of "lifelong learning" from a theme and a set of programs into a coherent government-wide campaign.

--A Board including DOD would link that Department's vast expertise into broader workforce development efforts.

#### CONS:

--Human resource programs operate under several different oversight committees, and such a Board may ignite concerns over jurisdiction.

--Various constituencies (vocational education, community-based organizations and advocacy groups, community colleges, labor, service providers within and outside government) may fear a loss of resources with any increment in flexibility.

--Creating a new institution, for almost any purpose, can be expected to draw charges of bureaucratic layering.

--Without careful efforts to ensure follow-through, decisions by a high-level board might be blocked, slowed, or distorted at the operating level in each Department.

#### NEXT STEPS

I suggest that you ask the four Secretaries to present a specific proposal, to be coordinated through the NEC and the Domestic Policy Council.

Yes \_\_\_\_\_

No \_\_\_\_\_

cc: R. Rubin  
L. Panetta  
C. Rasco

FAX TRANSMITTAL SHEET



RECEIVER TELECOPIER #: \_\_\_\_\_

TO: Carol Rasco

FROM: Robert B. Leach

DATE: 1/21/94 TIME: \_\_\_\_\_

PAGE NUMBER ONE OF 5 PAGES.

TRANSMITTER TELECOPIER: 202-219-7659

ADDITIONAL COMMENTS:

IF YOU HAVE QUESTIONS REGARDING THIS FAX CALL: \_\_\_\_\_

UNITED STATES DEPARTMENT OF LABOR  
OFFICE OF THE SECRETARY

Jan 21

Carol ———

Let me have your thoughts  
about this draft.

Thanks.

Bob R

Note to Rubin, Panetta: This was faxed to Reich's office on Sunday.

TO: Bob Reich  
FROM: Carol H. Rasco  
SUBJ: January 19 draft memo  
DATE: January 23, 1994

I appreciated receipt of what I assume is a draft memo to President Clinton regarding the Human Resources Development Board. While I applaud the inclusiveness of the Board in concept (since you know how concerned I am that welfare reform's training, education, jobs piece be a part of the overall administration education/training/jobs program), I believe it is premature to announce a Board. Perhaps it is because the concept as presented in your memo at this time has too many similarities to the Low Income Board chaired by Chuck Hobbs during the Reagan administration when the Family Support Act was in process.

I would urge that you, Bob and I along with anyone else you feel necessary have further discussions on this matter before the memo is sent to the President. I will be available to discuss this at your convenience.

Thank you.

cc: Bob Rubin  
Leon Panetta

NATIONAL  
GOVERNORS'  
ASSOCIATION

Carroll A. Campbell Jr.  
Governor of South Carolina  
Chairman

Raymond C. Scheppach  
Executive Director

Howard Dean  
Governor of Vermont  
Vice Chairman

Hall of the States  
444 North Capitol Street  
Washington, D.C. 20001-1512  
Telephone (202) 624-5300



## Facsimile Cover Sheet

To: Bill Galston  
Company: Domestic Policy Council  
Phone: 456-2216  
Fax: 456-2878

From: Martin Simon  
Company: National Governors' Association  
Phone: 202/624-5343  
Fax: 202/624-5313

Date: 2/18  
Pages including this  
cover page: 8

### Comments:

Julie Brown is out of the office  
until Tuesday. She will call you then  
to follow-up.

**NATIONAL  
GOVERNORS  
ASSOCIATION**

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Governor of South Carolina  
Chairman

Raymond C. Scheppach  
Executive Director

Howard Dean  
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Washington, D.C. 20001-1512  
Telephone (202) 624-5300



February 17, 1994

TO: Pat Fahy

FROM: Martin Simon *MJS*

RE: Proposed Amendments to Draft Reemployment Act

This is a follow up to the discussion by Julie Strawn regarding amended language to the draft Reemployment Act to allow governors the option to request waivers whether or not they have been applied or received an implementation grant.

The proposed language would amend SEC 322. STATE IMPLEMENTATION GRANTS and SEC. 323. WAIVER OF FEDERAL STATUTORY AND REGULATORY REQUIREMENTS. The amendments are incorporated into the text of the discussion draft in bold italics on the attached pages.

Julie will be out of the office until Tuesday, February 22 but will attempt to call you later today or tomorrow morning. If you need to discuss these amendments before hearing from her, please contact Martin Jensen on 624-5353 or me on 624-5345.

cc: Liz Goncher

Discussion Draft 2/8/88  
Reemployment Act  
Proposed Amendments  
Page 1

**SEC. 322. STATE IMPLEMENTATION GRANTS AND WAIVERS.**

(a) **PROGRAM AUTHORIZES.** -- The Secretary is authorized to establish a program of *waivers and* competitive grants to states to assist in the implementation of a comprehensive stateside system of one-stop career centers.

(b) **APPLICATION**

(1) **IN GENERAL.** -- Any *Governor* desiring a grant *or waivers* under this section shall, with the agreement of the chief local elected officials from the one-stop service areas identified in paragraph (3)(c), submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

(2) **CONTENTS OF APPLICATIONS.** --

(A) The application for a grant submitted pursuant to paragraph (1) shall, at a minimum, include:

- (i) a plan for a comprehensive, statewide one-stop career center system that includes the components described in part A;
- (ii) a request in accordance with section 323, if any, for one or more waivers of statutory or regulatory requirements relating to the programs described in section 325(b);
- (iii) such other information as the Secretary may require.

(B) *The application for one or more waivers submitted pursuant to paragraph (1) shall, at a minimum, include:*

- (i) a plan for a comprehensive, statewide one-stop career center system that describes the workforce development programs that will participate in the centers and contains the elements as specified in (3)(F)(G)(H)(I) and (K);*
- (ii) such other information as the Secretary may require.*

(3) **CONTENTS OF STATE PLAN.** -- A state plan shall --

- (A) designate a fiscal agent to receive and be accountable for implementation grant funds awarded under this section and describe how the state intends to manage the funds awarded under this section at the state and local levels;
- (B) identify the one-stop service areas that have been designated within the state pursuant to section 302(a);

Discussion Draft 2/8/88  
Reemployment Act  
Proposed Amendments  
Page 2

(C) identify the one-stop service areas in the state that will immediately begin implementation of the one-stop career center system, and the schedule for implementation for the remaining areas of the state;

(D) identify the workforce development programs that will participate in the one-stop career centers, consistent with section 315;

(E) describe the method by which one-stop career centers will be selected, consistent with section 313;

(F) describe the performance standards that the state intends to meet;

(G) describe the procedure by which the Governor, chief local elected officials, officials administering participating programs, and other appropriate officials, will collaborate in the implementation of the statewide one-stop career center system;

(H) describe the manner in which the state has obtained and will continue to obtain the active and continued involvement, in the statewide one-stop career center system, of employers (including small business) and other interested parties such as secondary schools and post-secondary educational institutions (or related agencies), business associations, employees, labor organizations or associations of such organizations, community-based organizations, economic development organizations, rehabilitation agencies and organizations, registered apprenticeship agencies, vocational education agencies, state or regional cooperative education associations, human service agencies, and education, employment and training service providers;

(I) describe the manner in which the state will ensure equitable opportunities for job seekers, students, and employers in the state to receive services from one-stop career centers;

(J) if the state has already undertaken a one-stop service initiative, describe how such initiative will be integrated into the statewide one-stop career center system under this title;

(K) describe the administrative and management systems that will be used in the state; and

(L) describe the resources that the state intends to employ in maintaining the one-stop career center systems when funds under this title are no longer available.

**Discussion Draft 2/8/88**  
**Reemployment Act**  
**Proposed Amendments**  
**Page 3**

**(C) FACTORS TO BE AWARDED SPECIAL CONSIDERATION. --** An applicant shall be awarded special consideration in the evaluation of a grant application under this section with respect to the following factors:

- (1) the extent to which the one-stop service areas in the state are based on labor market areas,
- (2) the number of Federal programs that will participate in the one-stop career centers,
- (3) the extent to which a state has already implemented the components of the one-stop career center system described in part A,
- (4) the proportion of population of the state that is covered by the one-stop service areas that have agreed to immediately implement the one-stop career center system, and
- (5) the extent to which a state demonstrates a commitment to ensuring that the one-stop career center operations in the state will enhance access to the services described in section 314(a) through supplementary methods such as kiosks based in shopping centers, libraries, community colleges and other community organizations, and through personal telephones or computer lines.

**(d) REVIEW OF APPLICATIONS. --** The Secretary shall determine whether to approve the state's plan, and, if such determination is affirmative, further determine whether to take one or a combination of the following actions --

- (1) award an implementation grant;
- (2) approve the state's request, if any, for a waiver in accordance with the procedures in section 323 of this act; and
- (3) inform the state of the opportunity to apply for further development funds, except that further development funds may not be awarded to a state that receives an implementation grant.

**(e) LIMITATION. --** No funds provided pursuant to a grant under this section may be expended to construct new buildings.

**(f) DURATION OF GRANTS. --** Grants awarded under this section shall be for a one-year period and shall be renewable for each of the two succeeding fiscal years if the Secretary determines that the state is making satisfactory progress in the implementation of the statewide one-stop career center plan.

**SEC. 323. WAIVER OF FEDERAL STATUTORY AND REGULATORY REQUIREMENTS.**

Discussion Draft 2/8/88  
Reemployment Act  
Proposed Amendments  
Page 4

(a) **STATE REQUEST FOR WAIVER.** -- A state may, at any point during the development or implementation of a One-Stop Career Center System, request a waiver of one or more statutory or regulatory provisions from the Secretary of Labor in order to carry out the purposes of this title.

(b) **WAIVER CRITERIA.** -- (1) Except as provided in subsection (d) the Secretary of Labor may waive any requirement of any statute or circular listed in subsection (c) or of the regulations issued under such statute or circular for a state that requests such a waiver --

(A) (i) if such state submits a plan for a comprehensive, statewide one-stop career center system or that includes the components described in Part A; or

(ii) *if such state submits a plan for a comprehensive, statewide, one-stop career centers system that describes the workforce development programs that will participate in the centers and otherwise meets the requirements of Sec. 322(b)(2)(B);*

(B) if, and only to the extent that, the Secretary of Labor determines that such requirement impedes the ability of the state to carry out the purposes of this title;

(C) if the state waives, or agrees to waive, similar requirements of state law; and

(D) if the state --  
(i) has provided a notice and an opportunity for interested entities and individuals to comments on the state's proposal to seek a waiver; and

(ii) has submitted the comments required pursuant to clause (i) to the Secretary.

(2) The secretary shall act promptly on any request submitted pursuant to paragraph (1).

(3) Each waiver approved pursuant to this subsection shall be for a period not to exceed four years, except that the Secretary may extend such period if the Secretary determines that the waiver has been effective in enabling the state to carry out the purposes of this title.

(c) **INCLUDED PROGRAMS.** --

Discussion Draft 2/8/88  
Reemployment Act  
Proposed Amendments  
Page 5

(1) **STATUTES.** -- The statutes subject to the waiver authority of the section are as follows--

- (A) title 1 of this act;
- (B) the Job Training Partnership Act;
- (C) the Wagner-Peyser Act;
- (D) title V of the Older Americans Act; and
- (E) title III of the Social Security Act (NOTE: Unemployment compensation provisions.).
- (F) *the Carl D. Perkins Vocational and Technical Education Act;*
- (G) *title IV-F of the Social Security Act*
- (H) *the Adult Education Act*

(2) **CIRCULARS AND RELATED REGULATIONS.** -- The following circulars promulgated by the Office of Management and Budget subject to the waiver authority of this section are as follows --

- (A) A-87, relating to cost principles for state and local governments;
- (B) A-102, relating to grants and cooperative agreements with state and local governments; and
- (C) 29 CFR 97, uniform administrative regulations for grants and cooperative agreements to state and local governments.

(d) **WAIVERS NOT AUTHORIZED.** -- The Secretary of Labor may not waive any statutory or regulatory requirement of the programs listed in subsection (b) relating to --

- (1) the basic purposes or goals of the affected programs;
- (2) maintenance of effort;
- (3) the allocation of funds under the affected programs;
- (4) the eligibility of an individual for participation in the affected programs;
- (5) public health or safety, labor standards, civil rights, occupational safety and health, or environmental protection;
- (6) prohibitions or restrictions relating to the construction of buildings or facilities.

Discussion Draft 2/8/88  
Reemployment Act  
Proposed Amendments  
Page 6

(e) **TERMINATION OF WAIVER.** -- The Secretary of Labor shall periodically review the performance of any state for which the Secretary of Labor has granted a waiver and shall terminate the waiver under this section if the Secretary determines that the performance of the state affected by the waiver has been inadequate to justify a continuation of the waiver, or the state fails to waive similar requirements of state law as required or agreed to in accord with subsection (b)(1)(C).

(f) **SECRETARY DEFINED.** *For purposes of this section, "Secretary" means the Secretary of Labor, the Secretary of Education (with respect to waivers of statutes listed in subsection (b)(1)(F) and (H)), and the Secretary of Health and Human Services (with respect to waivers of statutes listed in subsection (b)(1)(G)).*

## Clinton Attacks The Jobs Issue, But Isn't Alone

**F**OR THOSE WHO'D LIKE to step back from the Whitewater din for a moment and scope out a hot new issue, here's one: re-employment.

Re-employment is a new-wave term that simply means this: ditching the



existing unemployment system and replacing it with a new one that takes in workers who have lost their old jobs, trains them in new skills, and finds them work in new industries. With layoffs and downsizings continuing apace, this is one way to attack the

job worries that dog American workers even as the economy seems to be humming along.

So the Clinton administration is hot on the re-employment case. But its approach is flawed in one crucial respect. It doesn't really clean out the federal government's hopeless swamp of 154 job-training and education programs. And that has given a nice political opening to some smart Republicans and maverick Democrats who favor a more radical attack on the bureaucracy.

At first blush, re-employment may sound like one of those ideas only a Beltway policy wonk could love. Not so. Consider just one story about how it plays in the real America, where two million workers are displaced annually.

When President Clinton gave his State of the Union address in January, Stanley Greenberg, the pollster who has mastered the art of putting him in touch with every public mood, organized a group of Dayton, Ohio, voters to watch the speech. This Ohio group consisted of wavering Clinton supporters and Ross Perot voters—in other words, the pivotal middle-of-the-road constituency that holds the balance in U.S. politics today.

**E**ACH OF THESE VOTERS was given a meter and told to move the dial up when they heard something they liked and down when they heard something they didn't like. To nobody's great surprise, the meters jumped the highest when Mr. Clinton mentioned the popular three-strikes-and-you're-out proposal to put repeat felons in prison for life.

But to the considerable surprise of some Clinton advisers, the meters jumped nearly as high when Mr. Clinton uttered the following passage: "We must literally transform our outdated unemployment system into a new re-employment system. The old unemployment system just sort of kept you going while you waited for your old job to come back. We've got to have a new system to move people into new and better jobs because most of those old jobs just don't come back."

Clinton political adviser Paul Begala now rates re-employment as one of a handful of key issues of this election year (the others being health care, crime and welfare). And though the development was virtually drowned out under waves of Whitewater coverage, the administration has just proposed the Re-employment Act of 1994, an ambitious, \$13 billion plan to revamp the nation's unemployment system.

The administration plan is path-breaking in many respects. It proposes to create "one-stop shopping" centers for the unemployed, where workers who have lost their jobs for any reason could go to get both benefits and help in searching for work. Perhaps more important, badly underskilled workers who have been permanently laid off could get long-term "re-employment insurance" to give them time to complete serious training programs, and grants to help pay for the training.

The administration proposal also would open the door to privatizing some of the unemployment system by allowing businesses to bid for the right to open and run the one-stop career centers for laid-off workers. Public-employee unions, predictably, hate that idea. But it excites the centrist Democrats over at the Democratic Leadership Council, whose think tank has just produced a paper gushing that the new system will inject "the dynamics of the marketplace into the job training system."

**B**UT THE CLINTON PLAN also pulls its punches in one crucial area. It would merge just six current federal training programs for dislocated workers, leaving the scores of other training programs to drag on.

Nobody can pretend the current system really connects trained workers with real jobs. By one estimate, the federal employment system's share of job placements in the U.S. has fallen by two-thirds since 1952. But some congressional baron or subcommittee has a stake in keeping alive each of the outdated training and education programs, and the administration decided it didn't want to battle all those forces just now.

But others aren't so shy. Kansas Republican Sen. Nancy Kassebaum, along with Democrat Bob Kerrey of Nebraska, has introduced legislation to "wipe the slate clean" by giving a new commission two years to figure out how to dismantle all existing programs or consolidate them into one system.

Down deep, this is what many Clintonites would like to do as well. Sen. Kassebaum may be doing them a favor by presenting what she calls "an opportunity that shouldn't be missed."

## The Sexist Violence Against Women Act

One little-known section of the crime bill wending its way through Congress is less about fighting crime than it is about waging gender warfare.

The Violence Against Women Act, sponsored by Sen. Joseph Biden (D., Del.) since 1990, was passed by the Senate as part of the omnibus crime package in November. In slightly different form, it is part of the House bill to be voted on this week. In Sen. Biden's own words, "The whole purpose of this legislation is to raise the consciousness of the American public." Among the "experts" his staff consulted on the bill was Andrea Dworkin, author of a book arguing that all sexual intercourse is rape.

Backed by conservatives such as Sen. Orrin Hatch (R., Utah), the Violence

### Rule of Law

By Cathy Young

Against Women Act has many appealing provisions: federal grants to states to combat sex crimes and improve security in public places; the requirement that rape victims be consulted about their safety concerns when the defendant is released on bail. But it also mandates "gender sensitivity" training for judges and, in a key section, extends federal civil-rights protections to "crimes motivated by gender."

While the text of the bill offers few clues to how broadly such crimes would be defined, its champions suggest that every rape and domestic assault would become a potential federal case. "A rape or a sexual assault should be deemed a civil-rights crime just as hate beatings aimed at blacks or Asians," Sen. Biden said at a 1990 hearing.

Yet the underlying feminist view that women are raped on the basis of gender—

in the political rather than biological sense, i.e., in the same way that blacks were lynched on the basis of race—is rejected by virtually all sex-crimes researchers. Some rapists are driven by hatred of women, but most seek either gratification or a sexual outlet for generalized aggression and anger.

Moreover, males are sexually assaulted, too. Sen. Biden's assertion that 97% of sex-crime victims are female is not based on any known data. According to Justice Department numbers, 7% to 10% of rape victims over the age of 12 are male (not counting most prison rapes). Twenty-five percent to 40% of children who are sexually abused are boys. Male street kids are at especially high risk. Yet the legislation authorizes funds for the prevention of the sexual abuse of only "female runaway, homeless, and street youth."

Sen. Biden asserts that civil-rights protections for "sex-based crimes" would cover men, too. But the very concept of rape as a hate crime is based on the fact that it disproportionately affects women and on the notion that rape is, as feminist law professor Catharine MacKinnon puts it, "both an act and a symbol of women's subordinate status to men." It is likely, therefore that male-on-male rapes would be labeled "random" crimes, which the act specifies would not be covered.

Treating domestic violence as "gender-based" is equally dubious. Even feminist legal scholar Elizabeth Schneider acknowledged—in a 1992 article in the New York University Law Review—that violence toward same-sex lovers and toward elders "challenges the notion that sexism defines battering." Under the logic of the Violence Against Women Act, an elderly woman is protected if she is beaten by her husband but not if she is beaten by her daughter; a jealous husband can face a civil-rights suit if he stabs his wife but not if he stabs her lover.

The bill uses federal grants to reward jurisdictions that enact mandatory arrest for misdemeanor domestic assault (a policy many experts, including former supporters such as criminologist Lawrence Sherman, regard as often counterproductive). Grant-eligible states are also required to "discourage 'dual' arrests of abused and abuser." Decoded, this means that an officer responding to a domestic dispute should arrest the man but not the woman, even if there is probable cause to detain both.

Sally Goldfarb, a senior attorney for the Legal Defense Fund of the National Orga-

*Under the logic of the act, an elderly woman is protected if she is beaten by her husband but not if she is beaten by her daughter; a jealous husband can face a civil-rights suit if he stabs his wife but not if he stabs her lover.*

nization for Women, believes that women are arrested only in retaliation for having "bothered" the police. Yet many studies show that both sexes initiate domestic violence at nearly equal rates, and the line between "abused and abuser" is by no means always clear. "The only reason to discourage dual arrests is if you believe that facts don't matter—men are always to blame," says Mr. Sherman. He personally witnessed an incident in Washington state (where anti-dual arrest measures were passed in response to feminist lobbying) in which a man was arrested after his wife had hit him but he had only yelled at her.

Sen. Biden and his supporters claim

that the Violence Against Women Act, despite its title, is "gender-neutral." Clearly, it is not. It is biased against men, who are the primary victims of violent crime. Compared with women, federal statistics show, men face four times the risk of aggravated assault by strangers, twice the risk of aggravated assault by acquaintances and three times the risk of homicide.

The Violence Against Women Act is being foisted on the American people with no open debate. The four Senate Judiciary Committee hearings in 1990 and 1991 heard only witnesses who favored the bill. At the first hearing, Sen. Biden voiced concern that critics might be holding back for fear of appearing "anti-women." Yet when men's-rights activist Jon Ryan asked to testify about the gender bias in the act, his requests were ignored. In a letter, Sen. Biden suggested that Mr. Ryan submit his testimony for the written record. He did so; when the record appeared, his statement was not included.

With rare candor, Ms. Dworkin told a journalist that the only possible explanation for the bill's popularity was that "senators don't understand the meaning of the legislation they pass." Maybe they should heed her words and take a second look.

Mainstream and conservative support for the Violence Against Women Act stems from a vague desire to be "good" on women's issues as well as an old-fashioned paternalism that finds violence toward women uniquely abhorrent. In part, it is a sincere effort to address real problems. But that goal could be accomplished by straightforward legislation on sex crimes and family violence that does not trivialize assaults on men and boys or give an official seal of approval to a radical ideology that sees American women as victims of systematic gender terrorism.

*Ms. Young is writing a book, titled "Gender Wars," for the Free Press.*

# SIEMENS

March 23, 1994

The Honorable William Galston  
Assistant to the President for Domestic Policy  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20500

Dear Bill:

It was a pleasure for my colleagues and me to meet and formally present the Siemens endorsement of the Re-employment Act of 1994. Siemens believes in the Administration's commitment to helping assure that unemployed Americans transition to new work as rapidly and effectively as possible. As part of that commitment, Siemens will, as agreed, proceed on the following basis:

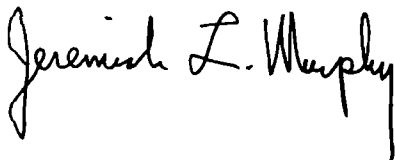
- ◆ Meet with the National Alliance of Business and the Business Round Table to determine how it might assist in forming a coalition in support of the Re-employment Act.
- ◆ Develop a public relations plan to communicate Siemens' support to various business organizations through the media.
- ◆ Prepare its Washington government relations staff to assist in formally presenting its support and encouraging favorable action to selected members of Congress.
- ◆ We have begun preparation of testimony in case it would be helpful in one or more of the concerned committees.

We appreciate your willingness to give further thought to how to apply appropriate elements of the Act to the needs of the "temporary" although relatively long-term workforce. This issue is important to us and many companies in America. We also remain committed to assisting in the implementation of the School-to-Work Opportunities Act at the federal, state and local levels.

We are now in touch with members of the Senate concerning our interest in "Goals 2000-Educate America". We share your concern that this bill should be enforced soon so that the process of establishing occupational standards can begin.

We will be back in touch shortly. We appreciate your guidance and counsel and look forward to working with you in the successful implementation of the Re-employment Act of 1994.

With best regards,



Jeremiah L. Murphy  
Vice President  
Public Policy & Government Affairs

cc. Albert Hoser  
Chairman, Chief Executive Officer

JLM/PC:mac  
**Siemens Corporation**

Suite 720  
701 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004

Tel: (202) 434-4800  
Fax: (202) 347-4015

### Key points

- ① Universal access for dislocated workers
  - ② Resources for long-term training, income support
  - ③ Competition bidders for career centers
  - ④ Competition model permitted for one-stop centers
  - ⑤ Customers must be allowed to choose from available programs - not pre-registered
  - ⑥ Consolidation (TAA)
- 

Career centers folded into universal one-stop

## THE WHITE HOUSE

Office of the Press Secretary  
(Detroit, Michigan)

For Immediate Release

March 14, 1994

REMARKS BY THE PRESIDENT  
AT THE G-7 JOBS CONFERENCE

Fox Theater  
Detroit, Michigan

10:45 A.M. EST

THE PRESIDENT: Thank you very much, Mr. Vice President, for your remarks and your wonderful service and for your commitment to this project. The Vice President will be here for the entire day and a half, working with the distinguished ministers from other countries, as well as our own Cabinet members and other leaders here in America.

I want to thank the state of Michigan and the congressional delegation and the city of Detroit. You know, it is true that the Mayor runs faster in the morning than the President and the Vice President do. (Laughter.) He took us out to Belle Isle -- I made him quit after three miles. And if that weren't enough indignity, I got back to the hotel room and I read the newspaper and discovered that in the NCAA basketball championships, my beloved Arkansas basketball team has been paired with Michigan in the Midwest regionals. (Applause.)

The only thing I can say is they are in much better shape than I am, Mayor. (Laughter.)

I want to say how wonderful it is for me to be back here in this magnificent theater, which represents the cultural richness and the indomitable spirit of this wonderful city. I want to thank Michael and Marion Ilitch for restoring this theater and for doing so much else for downtown historical -- (applause.)

I am delighted that the ministers of the G-7 nations and representatives of the European Union have come here to America's industrial heartland for this important meeting, at an historic and hopeful time.

In some nations, people are pessimistic, and in all nations some people are pessimistic, and in all nations there are people with difficulties. But there is real cause for hope. Technology that was once the province of science fiction now fills our factories, our schools and our homes. Nations that once aimed missiles at each other now cooperate not only here on Earth, but also in space. Jobs that challenged the mind instead of straining the back are now within reach of virtually all the people who live in these nations.

For the past half-century, our great common endeavors from containing communism to defeating aggression in the Persian Gulf, to expanding world trade, to promoting democracy in the former Soviet Union and helping to solve the tragic conflict in Bosnia all have depended on common bonds among the countries present here today. I asked for this conference to summon the same collective energy and intellect and ideas and experience to one of the greatest problems of our era -- the challenge of creating and maintaining a high-wage, high-growth society in mature, industrial countries confronted by the challenges of a global economy.

- 2 -

In different ways, every advanced nation faces a stubborn, persistent problem of jobs and incomes. Some are having difficulty creating new jobs, others are having difficulty lifting their people's incomes. In the United States, we have created a lot of new jobs in the last two decades, but for almost two decades now, the wages of hourly workers in America have remained virtually stagnant. The average American worker is working a longer work week than 20 years ago for about the same income.

None of us has all the answers. We are here because we have something to learn from each other and, hopefully, something to teach each other. We can all do better, and if we work together, it is certain that all of our people will do better.

For the first time, this conference brings together our ministers of finance, labor, commerce and economics. We know that the riddle of job creation cannot be solved entirely by low interest rates or better training policies or higher tech investment alone, but we need these. Some of the ministers told me that if we can get the finance ministers and labor ministers within each country to talk to each other, we will have made a real step forward. There's no better place to address these challenges than here -- in this city, this state and this region. They tell us not only that we must change, but that we can.

When I was growing up in Arkansas, many of the people I knew and lived with were farmers. Almost no one my age can go back more than one generation in my state without having a farmer in his or her family. But as agriculture mechanized and more and more people were thrown off the farms, literally hundreds of thousands of people were forced to leave the farm. Many of them came to places like Detroit for jobs in the factory. When I campaigned in Michigan two years ago, I realized I actually had a chance to be elected President when one of three democratic primary voters I met in Michigan was born in Arkansas. (Laughter.)

That is the pattern of America. For most of this century, the industrial Midwest symbolized economic opportunity. People thrown off the farm in the rural areas could come here and expect to find, without regard to their race or their educational level before they got here, or their income before they got here, a job which would permit them to support their families, take a vacation, have health care, send their kids to college, live in their own home, and have a decent retirement when they finish. That was the great hope and promise of Detroit, of Chicago, of this whole regional mecca that led the Industrial Revolution of America.

Industrial America was hit hard by economic changes which all of you know as well or better than I. But I have watched the people of this region fight back. A few years ago, people said the American automobile industry was doomed. But the Big Three auto companies worked hard with their partners in labor to improve quality, safety and fuel efficiency. Now they are regaining market share at home and abroad. They are back. For the past dozen years Michigan has made the journey to a new economy; small and mid-sized companies here have created nearly 400,000 manufacturing and industrial service jobs.

The British magazine, The Economist, calls Automation Alley, the 40-mile corridor between Detroit and Ann Arbor, and I quote, "the fastest growing technology corridor in the entire United States of America." (Applause.)

And yet, let us not be too Pollyanna about this -- with all the good news there's also the continuing challenge. Too many people have been left behind. And that was the challenge that I think brought this fine young Mayor to the mayor's job here, and is bringing so many of you together across

MORE

- 3 -

party and racial and income and background lines to try to figure out how we can unlock the human potential of all of our people.

This morning, I want to begin by introducing you to eight extraordinary people throughout the Midwest who exemplify the changes that we must all make. And I want to ask them to stand up when I call their names, because it is important for all of us in public life never to forget that there are real lives behind the actions we take and the mistakes we make, as well as the things we do right.

Anna Satur -- where are you, Anna? Stand up. They should all be down here. She's not here? If you are here, you stand up when I call you.

Steve Choate. I know he's here, I saw him yesterday. Stand up, Steve. Don't sit down. (Applause.) Steve Choate is a near neighbor of mine. He started out as a janitor and he's now a plant manager for Megavolt in Springfield, Missouri, part of an employee-owned company that practices, and I quote, "open-book management, sharing its financial figures with its workers and asking their help in planning new products."

Debbie Collonton started as a machine operator, took advanced training and became the quality control officer of Rockford Process Control, a metal assemblies maker in Rockford, Illinois.

Bruce Wirtanen founded Waterworks America. I met him yesterday and he gave me one of his products. He never stopped selling. (Laughter.) In North Royalton, Ohio, they make crystals that save water in places like Saudi Arabia, where water is more expensive than oil.

Kathy Price, of Chicago, learned new skills at the Martin Luther King Community Services Center, and moved from welfare to work as a programmer analyst. Frank Rapley is the superintendent of the Kalamazoo, Michigan Public Schools, where they help young people who are not going to college move from school to work. Harold Wright learned new skills in heating and air conditioning, after he lost his factory job right here in Detroit. And now he's an instructor for the International Union of Operating Engineers. And Ocelia Williams -- I saw her -- is a lead person and medal slitter operator at the Cin-Made Corporation in Cincinnati, Ohio, a unionized company with profit sharing and self-directed work teams.

All these people have been forced to change to do well in the global economy. But they are your friends and neighbors, and there are millions of them like them not only here, but in every one of the G-7 nations here represented. We are here to help them find new ways to create new jobs, better jobs, and better opportunities for their families. And we dare not let them down.

Thank you very much. (Applause.)

Let us begin by recognizing the fundamental reality that private enterprise, not government action, is the engine of economic growth and job creation. Our vision of the good society depends as much on a thriving private sector as anything else. Let us also recognize that there are things that government can and should do -- give our private sector the tools to grow, and prepare our people for the jobs of the new economy.

A big thing that we'll be discussing here in the next two days is what the responsibility of the government is, and what must be done in the private sector and how we can reconcile the two better than any of us has done in the past. Here in the United States, I think we are moving in the right direction. Our economy has produced 2.1 million jobs in 13 months, and 90 percent of them are in the private sector.

MORE

- 4 -

In the 1980s, a lot of the net new job growth in America was in the government sector, mostly at the state and local level. These new jobs are coming in the private sector. But too many middle-class people are working harder for less and too many people in America are still unemployed. Too many lack the training to prosper in the competitive environment, and there are too many areas where there is simply no new private investment -- especially in large sections of inner cities and isolated rural areas.

The growing gap in incomes between the skilled and unskilled threatens not only the strength of our economies in these countries, but also the very fabric of our democratic societies. A year ago, for example, unemployment in America was 12.6 percent for people with no high school diploma; 7.2 percent for high school graduates; 5.7 percent for people with advanced training; and 3.5 percent for college graduates. And unemployment, as I said before, is also highest in places where people are isolated from investment opportunities; principally in our large inner cities and our poorest rural areas.

All of us, in our own way, must face these fundamental challenges -- to find new ways to equip people to succeed, harnessing the dynamism of the marketplace, and somehow finding a way to bring those forces into the areas where people have been left behind. I have to say that here in the United States, I sometimes think we do a better job in giving people incentives to invest in some of our trading partners that are developing economies than we do in some of our inner cities and isolated rural areas that are also developing economies where we have opportunities to grow. (Applause.)

We all know that a global economy is taking shape, where information and investment move across national lines at stunning speed, competing for jobs and incomes. For economies at the cutting edge, there is no place to hide. Rapidly developing nations strive to improve their living standards by showing that they can do what we do just as well at lower costs. As the old era gives way to the new, our nations face a clear and crucial choice at the very outset. Are we going to hunker down and build walls of protection and suffer a slow and steady decline in our living standards, or are we going to embrace eagerly the challenges of this new economy -- create high-wage jobs and prepare people to fill them?

Every advanced economy is now facing that choice in many different ways -- a choice between hope and fear, between stagnation and change, between closing up and opening up. If we ever needed evidence that we should choose change and that we can, I received that evidence yesterday when I visited Focus: Hope here in Detroit -- (applause) -- where I saw people from the inner city being trained for world-class jobs, getting world-class jobs and able to compete.

America has chosen the path of change. We have seen, among other things, these other countries in the G-7. All of our guests here today -- my fellow Americans, you need to know that they used to meet once a year, and every time they met for 10 years, the G-7 nations passed a resolution that was, frankly, embarrassing to the United States. They did it in very polite language, but they essentially said the global economy cannot grow if America continues to expand its budget deficit; every year spending more and more money than the taxpayers are paying in. They said, please, America, do something about your deficit. And so we did.

By cutting the deficit by \$500 billion, we now have a deficit that is a smaller percentage of our annual income than all but one of our other G-7 nations here represented today. And I'm proud of that. (Applause.) And if the Congress adopts the new budget, as they seem on the way to doing, we will have three

MORE

- 5 -

years of reduction in our deficit for the first time since Harry Truman was President. So we are moving in the right direction. (Applause.)

You need to know that our nations here have adopted a strategy that recognizes that each of the great blocs here have a role to play; that the United States should continue to bring its deficit down; that Japan should increase domestic demand; that Europe should continue to work for lower interest rates, so that these three things together can spark a new round of worldwide growth which will create more economic activity and more jobs in the European countries, here in North America with the United States and Canada, and in Japan.

We're also working hard together to tear down trade barriers with NAFTA, GATT, a meeting with the Asian Pacific countries. Last year, we did a generation's work of worth in supporting global growth and jobs and incomes through increased trade.

During the debate on NAFTA, we heard the concerns of working people -- legitimate concerns -- who were vulnerable to changes in the economy and don't believe that any of these changes will benefit them. But we had to face the simple truth: Export-related jobs in the United States pay on average 22 percent more than jobs having nothing to do with the global economy. And trade is not a zero-sum game. If the world economy declines, we all lose; and when it grows, we all win.

One lesson is clear: There is no rich country on Earth that can expand its own job base and its incomes unless there is global economic growth. In the absence of that growth, poorer countries doing the same thing we do for wages our people can't live on will chip away at our position. When there is a lot of growth you can be developing new technologies, new activities and new markets. That is our only option.

We also, therefore, must create those new markets. That means we have to be investing in job-creating technologies, from dual-use military and civilian technologies as we reduce defense spending, to an information superhighway connecting every classroom and library in the country.

Many of these technologies will be in the environmental area. We now know for sure it is possible to protect the environment and promote the economy. Together with the Big Three auto companies and United Autoworkers, we're promoting clean cars that will cause less pollution and create more markets.

From Theodore Roosevelt to Walter Ruther to our own distinguished Vice President, our wisest leaders have always cared about both our workers and our environment. And we aim to prove that that's a big ticket to new jobs in the 21st century. (Applause.)

Now, what are the obstacles to change? Here in the heartland and throughout the industrial world too many people have worked hard only to see their incomes stagnate or decline. We have to restore confidence in people that if they do acquire the skills they need and help their countries move forward, they'll be rewarded and not punished. These ingrained political, almost psychological barriers to change have to be addressed in every country.

I'll be candid with you. One of the things that I hope will come out of this G-7 meeting is that by talking together openly and honestly about the problems of growth, and sharing our common experiences, each of us who are leaders in our countries will be able to do more within our own countries because we'll be able to say, see, the Germans and the French and

MORE

- 6 -

the Canadians and the Italians and the Japanese -- well, we all have the same problems.

We have talked about that a lot around our breakfast table this morning. And everybody made the same observation -- that if we can just honestly debate these problems, we can help people overcome their fears of change and still recognize that there are some legitimate concerns associated with these changes going on.

This conference, I think, must address three critical problems that discourage people from supporting change. Unless people believe they are prepared for the jobs of the future, that productivity benefits them and they can have both strong work lives and strong families in a dynamic economy, they will turn against change. We have to reassure our constituents in all these countries on all those points. Our first challenge is obvious: preparing our people for a world of work that offers high wages, but demands high skills.

When I address audiences of young people, I tell them they will probably change jobs seven or eight times in a lifetime. That's why we're moving forward with a lifelong learning agenda in Congress, and why Congress is preparing to pass bills establishing world-class educational standards, promoting grass-roots reform, helping to facilitate the movement of people who go from high school into the workplace and who don't go on to college.

Learning must never stop. We've got an unemployment system today tied to an economy that hasn't existed for over 10 years -- an unemployment that assumes that if you just give people enough to live on, they will be called back to their own job. Well, the truth is most people aren't called back to their old job today. When they lose a job today it's not because of some cyclical regular downturn in the economy, it's often because there has been another structural change in the world economy, and what used to be done by a person in America is now being done by a machine in America or by a person somewhere else. So that person has to find something new to do.

That means it is wrong to charge employers an unemployment tax, to put it in a trust fund to pay people when they are unemployed, to hang around until the unemployment runs out when they still won't have a job. That is not right. (Applause.)

So, last week we presented a plan to turn our unemployment system into a reemployment system; to consolidate all these training programs, create one-stop career centers, and start people training and preparing for new jobs from the day they lose their old jobs.

This is big problem in many industrial countries. The length of time people are unemployed is growing longer and longer, and very often because they don't get training they are forced to take a new job at a lower wage than the old job they lost. We can change this, and in so doing, we can make our people feel more secure about embracing the changes of the global economy. And besides, it's good business. We need all our people right now. We shouldn't be paying for people to be idle when we could be paying for them to work. It's not good business.

Yesterday, as I said, when I went to Focus: Hope, I saw young people who were learning advanced jobs in engineering, robotics, other fields of the future, proving once again, that all people can learn. I met a man the other day from Northern New York, who had worked in the defense industry for 20 years, and is now an executive in a hospital, because he was given the chance to learn a new skill and given the chance to be hired by an employer not blinded by age bias.

MORE

- 7 -

We have too much age bias in this country on both -- (applause.) We have people that won't hire kids because they don't have any experience. How are they ever going to get any experience if they don't get a job, right? (Applause.) Then we have people who won't hire older people because they've got too much experience. (Applause.) Let me tell you -- the older I get, the more I believe this -- (laughter) -- so I think I can say this with great passion -- the fastest growing group of Americans today are people over 80. People who follow sensible habits are going to be very vigorous well into their 70s, able to work, able to contribute, able to do things. If people are going to lose their jobs throughout a lifetime, if we are going to have to change jobs eight times in a lifetime, a lot of people will have to change jobs into their 50s, even into their 60s. They cannot be denied the opportunity to contribute.

If you want people to embrace change, we all have to change our attitudes about who is employable, and especially on each end of the age spectrum. This is a very, very important thing. The issue should be, are people prepared for the jobs that are opening up? And, if they are, they should be given a chance to do them. (Applause.)

The second challenge we face is one we talked about a lot at breakfast this morning. And the representative from the European Union from Greece made a very passionate comment about this. We have got to make our people believe that productivity can be a source of gain, not pain.

And here is the trick. Productivity on the farm, when I was a boy, meant people lost jobs on the farm, right? But productivity in Detroit meant that more jobs were created in the automobile industry than were lost on the farm. Throughout the whole 20th century, ever since the Industrial Revolution, every time we had productivity in one area that meant that fewer people could do more work in that area, technological changes were always creating more jobs in another area.

Now, that is still true today, but the problem is there has been an explosion of productivity in manufacturing -- it's not stopping. And now it's in the service industry, so that banks, for example, or insurance companies or you name it can do more work with fewer people because of information productivities. And, at the same time, all these other countries are able to do things that they were not formerly able to do. So in our countries, there is this great insecurity that productivity, for the first time, may be a job threat, not a job creator.

We have to fight that. Because last year we saw our companies here in America begin to rebound -- 13 months, 2.1 million jobs. And I promise you they would not have been there had it not been for increasing productivity in the private sector. We cannot turn away from the notion that modernization is the key to employment. The trick is for us in government and people in the private sector, to keep finding new areas in which productivity can succeed. Therefore, even though we're cutting back on government spending this year, for example, we're spending a lot more money to try to give funds to defense contractors to figure out how they can use the technologies we all paid for to win the Cold War to win the post-Cold War era in new technologies for new jobs for the future.

That is the trick. We've got to prove to our people that change can work for them, and that increasing productivity is still the key to jobs and growth. If we forget that, if we allow our fears to blind us to the fact that we must always be on the side of productivity, we're going to be in real trouble. That's what created the middle class. The ability to do more per worker created the American middle class. It created the economic miracles in Europe and Japan after World War II. It

MORE

will still create opportunity. It just is going to be different and more challenging and more complicated and more rapidly moving than before. But if we allow ourselves for a minute to try to resist the growth of productivity, we are in deep trouble.

From 1947 to 1973, productivity grew by over three percent a year in America, and wages grew at the same rate. Since then, the growth of productivity has slowed down and so have wages. Productivity is now coming back in many sectors of our economy, and as it does, jobs and wages will improve. Because we need to work smarter and not harder, this issue is more important than ever before.

Today, the United States Senate is debating a bill to help business conduct research and development to create manufacturing centers where businesses can work together as smaller manufacturers have been doing in Northern Italy, for example, for quite a long time now; to help put new technologies in the hands of companies that can use them, even though on their own, they wouldn't have the money to develop them. These are the kinds of things that all nations must do to keep their own people on the side of productivity and to keep our own economies going.

There will always be restructurings, there will always be some job loss. The best government policies, the best business practices cannot stop these changes. But what we can do is to help our people shape the change. Government has to equip people with lifelong learning, reemployment, health care security. Businesses have to keep pushing for productivity improvements. Leaders in the private sector have to strive for new ways to help their own workers benefit from productivity increases throughout well-conceived strategic planning and new innovations and creating high-performance workplaces and letting workers participate in more decision-making.

We talked this morning at breakfast about how Japan still has basically a lifetime employment policy. In order to do that, you have to be willing to carry your workers through the tough times and always have the companies find new things to do. Because that way, you don't have to go to a new company. However we do it, there is a big responsibility here that can only be borne by the private sector, not by government.

From companies that make cars to those that write software, some of the greatest gains have been achieved by those who treated their workers as their most important asset; who gave their workers the most respect and the largest role in figuring out how to do what has to be done to compete and win in the global economy.

These are the high performance workplaces that train and retrain their employees, empower them to take personal responsibility for the quality of the products and services, and treat the workers and the unions as friends, not adversaries.

Today, I am going to visit a company called Detroit Diesel that's working with the UAW to make high-quality engines for domestic and foreign markets. The Chief Executive, Robert Penske, is known to most of you for sending championship teams to the Indianapolis 500 Race. And he's also, however, building a championship team here at Detroit Diesel -- a team succeeding in the face of change.

The third challenge we have is to offer people security in their own lives while maintaining the dynamism of market economies. This is big deal, and it's a difficult one. How can we give workers the security they need? What kind of unemployment system must we have, what kind of health care must we have, what kind of training system must we have, what kind of policies must we have for family leave and for child care, or for caring for parents that enable people to succeed as workers and as family members?

MORE

- 9 -

We have seen in the United States, more than in any other country present here, the awful price we pay if the family disintegrates as an institution. It is a more fundamental institution than the workplace. It is the most fundamental institution.

But we know that most of our people are now in the work force. Most mothers with children over one year of age are now in the work force. How can we make it possible for people to do what they have to do as workers and do what they have to do as family members? How does the government intervene in that in a way that makes work forces more productive instead of putting so many burdens on the work unit that they can't compete in the global economy. This is tough, difficult, even painful thing for most of us to discuss. But we have to be honest about it. And I look forward to the next day and a half to seeing some very stimulating discussions about this.

In every country we have to find the right formula. We can't just fall into dogmatism or ideology and pretend that one or the other doesn't matter. But we know that when secure workers with secure families, knowing they are succeeding as parents, show up for work, they are free to be the most productive workers in the world. We also know that there is a limit for the cost any operation can bear and still be productive. So we are going to have to talk through and work through these difficult issues.

I know the United States has benefitted from the resilience of its firms and its workers, and the flexibility of its labor markets. I also know we have been hurt by the gnawing insecurity of millions of our people when they lose their health care, or they can't change jobs because they've got somebody in their family that's been sick with a preexisting condition.

I know that the Family Leave Law, in my own mind, that we signed here last year, which simply brought us into line with every other country that's here at the G-7, and 170 others around the world, is going to make the American workplace stronger because people won't have to lose their jobs when they take care of sick children or parents in need. (Applause.) These are things that we have to face.

So as we seek to find these proper balances, to help people deal with these three challenges, let us recognize two simple truths: First, the market with all of its unruly energy and all of its dislocation, is still an unstoppable, unstoppable, and absolutely indispensable force for progress. We have to have markets where people are making choices.

Second, our societies can promote human values from the strength of our families to the skills of our workers. We can do that, and in so doing, empower people to take full advantage of the opportunities provided by a vibrant market economy.

Now, I believe if you believe these things, then you say, well, why are we all here? Why must we act together? Why must we act together in our own countries; why should these nations that share so much try to act together among themselves? I want the ministers to explore these questions honestly and openly. But it is perfectly clear, again I will say, that it is easier for us to do what we need to do at home if we know people in other countries are working with us and that we're all going to win over the long run.

So let us ask the hard questions. First, what really is the jobs problem? Why is unemployment too high even when growth occurs? Can we really talk about one national unemployment rate anymore?

MORE

Does the national unemployment rate mean anything to any of you here in Michigan? No, you want to know what the unemployment rate is in Michigan, or what it is in Detroit, or what it is in Wayne County. Right?

Is there a national unemployment rate that is meaningful? Are there trends in all these countries that make the overall rate of unemployment in each less important than the rates among different sectors of the society, especially among people who, because of their long-term unemployment, their lack of skills or their isolation from investment opportunities, have absolutely lost touch with the labor markets.

Second, what's the best strategy for worldwide cooperation on monetary and fiscal policy to stimulate growth and create jobs? How do we balance our fears of inflation with the need for economic growth?

Third, how can we build a social safety net that helps our people advance and helps our economies grow? Can we provide lifelong learning, help people to balance the demands of work and family, give people health security, and still keep our economies dynamic? And, if so, what is the best way to do that?

Fourth, history has shown productivity brings better jobs and higher wages. But how do we, when change is so rapid, make the case to our people that this will be true in this time as it has always been true in the past? And with the rapid technological change of the Information Age, how can government policies and business practices show workers that change and productivity can be harnessed for their advantage?

None of us can find the answers to all of these questions just within the borders of our individual countries. At this conference, as we share our insights, our views and our practical experiences, every one of our nations will benefit. If we find new and effective ways to generate jobs and increase incomes, the working people of all nations will be the winners. It is my hope that this conference will continue the work that we began last year where these great industrial nations work together to get things done.

For years, the G-7 nations consulted with each other about the great issues of macroeconomics and global finance. Today, we are beginning a serious conversation about the economic well-being of ordinary people in each of these countries. This is an historic, important and long-overdue moment. (Applause.)

We all must succeed. If any of us fails to convince our people to embrace change, then that nation might well retreat from the global economy. That could set off a downward spiral of protectionism and lower growth and turning backward, which could affect us all.

If the faces of the new economy, these fine people I introduced here today can have the courage to change, then so can we, each of us as nations. We can proceed in the spirit that President Roosevelt called "bold, persistent experimentation." If we can move forward from this conference filled with the faith that we can make change work for the ordinary citizens in these countries, for all of our people, then we will succeed. And we will go from this conference to the leading -- to the meeting of all of the leaders of the G-7 countries in Naples with a real agenda where we can all be committed to going forward here.

Let me say that, in closing, we've faced a lot of difficult and decisive choices like this before. We haven't always made the right decision. At the end of World War I our nations turned inward, and it led us to depression and another world war. After World War II, our nations turned outward. They faced the future courageously. Old enemies embraced each other in a common cause of human development. Alliances were built; institutions were created that kept the peace, promoted prosperity, advanced democracy and won the Cold War.

- 11 -

Now we have to choose once again. And this conference is a part of that choosing. Will we have the courage to embrace change and build our people up? I think I know the answer. Together we have to find it.

Thank you very much. (Applause.)

END

11:26 A.M. EST

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

March 12, 1994

RADIO ADDRESS OF THE PRESIDENT  
TO THE NATION

10:06 A.M. EST

THE PRESIDENT: Good morning. This morning I want to talk with you about what we're doing here at home and abroad to create better jobs for our American workers, and about a breakthrough we've had in our trade talks with Japan.

Let me begin with this important news. Today we've reached an agreement that will open up Japan's cellular telephone market to high-technology products made here in America. This is a big win for everyone. Workers in the United States will gain because the agreement means more demand for cellular telephones and related equipment made in America. Japanese consumers win because they'll have access to better service and better technology at better prices. Even Japanese manufacturers may win because of the increased demand for cellular telephones.

This agreement is designed to produce results; both countries will be able to measure progress. And it demonstrates that the United States and Japan can work together to open up jobs in America by opening up markets in Japan in ways that help both Americans and Japanese.

Our trade negotiations with Japan are just one example of the challenges and opportunities that face us in this new global economy. That's why tomorrow I'll join leaders of the world's seven major industrial nations in Detroit for a conference on creating more and better jobs for our people.

For two decades, all these wealthy countries have struggled to protect the jobs of our working people and to create new jobs in an extremely competitive and rapidly changing global economy. None of us has had the success we would like. That's why I asked for this meeting. But remember this, of all the advanced nations, America is doing the best job of creating new jobs, and we should be proud. After 12 years of drift, we were able to get the deficit and interest rates and inflation down, and to get productivity and investments in growth up. As a result, our economy has generated two million new jobs in a little more than a year, and 90 percent of them are in the private sector. And if we stay with our program, when it comes to jobs, there will be two million more in 1994.

But we can't rest on this record. Too many Americans haven't yet felt the benefits of recovery. Too many middle-class Americans are still working harder for the same or lower wages. And too many lack the education and training they need to prosper in today's competitive environment.

Our trading partners all have similar problems. Advanced nations are experiencing chronic unemployment and stagnant wages. Powerful new technologies and global communications have created the most competitive world markets ever, and we must and win in it.

MORE

These are very serious problems. They require new ways of thinking, and no nation has all the answers. But all of us are trying, and we all have something to learn from each other. That is the purpose of the conference in Detroit.

In Detroit, I will reaffirm my belief that the global economy is not an obstacle to progress, but a great opportunity for us. We can't build walls around our nations and refuse to compete. Turning inward won't change the world or improve our jobs. Preparing for change and embracing change, however, and using it to create more high-wage jobs will do what we want to do.

That is our goal. And here's how we plan to do it. First, we'll continue to expand trade in open markets around the world. International trade is an engine for growth that creates jobs, that lifts wages. That's why we've signed more trade agreements and lowered more trade barriers this year than in any recent memory. Our commitment to opening new markets to American goods is unshakable.

Second, we must invest to develop new technologies and products like the information superhighway, or new technologies for dual use in both defense and civilian markets. And we'll continue to demonstrate that protecting the environment can be good for the economy. For example, there are hundreds of thousands of good jobs in producing clean cars and alternative fuels, and we believe those jobs should be American jobs. Sound fiscal policies at home, opening markets abroad, investing in the technologies of the future -- that's how to create more high-wage jobs.

The final piece of this puzzle is to invest in the education and skills of our people so they are prepared to fill those jobs. That's why we've already invested more in getting our children off to a good start in Headstart; in the Women's, Infant and Children Nutrition programs. That's why we've already reformed the student loan program so that all children, including children of the middle class, can afford to go to college by borrowing money at lower interest rates and paying it off as a percentage of their incomes after they get jobs.

That's why, just a few days ago, I asked Congress to discard the old unemployment and training program, which is too big, too old and too slow, and replace it with a system to retrain our workers quickly for the high-skilled jobs of tomorrow, and to link them to those jobs within weeks, not months or years.

We're pushing Congress hard to pass a safe schools act, to reduce violence in our schools and to make our children safer on the streets on the way to school. Congress now is finishing work on our Goals 2000 bill, which will establish world-class standards for educational excellence; and on our School-To-Work Initiative, which will allow our young people who don't go to college to get the skills they need to find good jobs. Each of these important measures stands a good chance of becoming law, many in just a matter of weeks.

Meeting this challenge head on is never easy. Change is always difficult. But these are things we have to do, and something we've proved we can do. Our economic policies have sparked a real recovery and begun to put our economic house in order. The Congress seems determined to continue working with me this year. Just yesterday, the House of Representatives in record time okayed our new budget. If it passes the whole Congress we will have three consecutive years of declining deficits for the first time since Harry Truman was President.

Our trade policies continue to open markets in ways that will boost exports, create jobs and share the benefits of growth. We can defeat any obstacle to change. We can create millions of high-wage jobs for our people, if we have the courage to confront our

problems boldly, not to be diverted or deterred, and we make a commitment to solving these problems together.

That will be my message to all the nations gathered this Monday in Detroit, and it is my commitment to all of you hearing this broadcast today.

Thank you for listening.

END

10:11 A.M. EST

March 11, 1994

## Education, Training, and Reemployment Legislative Priorities, 2nd Session, 103rd Congress

| Legislative Proposal                                                                                                | Current Status                                                                                     | Committee Jurisdiction                             |
|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------|
|                                                                                                                     |                                                                                                    |                                                    |
| 1. Goals 2000: Educate America Act<br>(HR 1804, S 1150)                                                             | Passed House and Senate. In Conference.                                                            | H. Education & Labor<br>S. Labor & Human Resources |
| 2. Safe Schools Act<br>(HR 2455, S 1125)                                                                            | Passed House and Senate. Being conferenced as part of Goals 2000.                                  | H. Education & Labor<br>S. Labor & Human Resources |
| 3. School-to-Work Opportunities Act<br>(HR 2884, S 1361)                                                            | Passed House and Senate. Conference pending.                                                       | H. Education & Labor<br>S. Labor & Human Resources |
| 4. Improving America's Schools Act<br>(Elementary and Secondary<br>Education Act reauthorization)<br>(HR 6, S 1513) | House floor action scheduled for completion the week of 3/14/94; Senate hearings began 3/2/94.     | H. Education & Labor<br>S. Labor & Human Resources |
| 5. Head Start Act Amendments<br>(HR 3842, S 1852)                                                                   | Joint Senate-House hearing held on 2/10/94.<br>Committee mark-up expected late March--early April. | H. Education & Labor<br>S. Labor & Human Resources |
| 6. Reemployment Act                                                                                                 | Presidential announcement held on 3/9/94;<br>Presidential transmittal imminent.                    | To be determined                                   |
| 7. Welfare Reform                                                                                                   | Target transmittal date: April.                                                                    | To be determined                                   |

# U.S. Department of Labor

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**PHOTOCOPY  
PRESERVATION**

# THE REEMPLOYMENT ACT OF 1994

## TITLE-BY-TITLE SUMMARY

The President's Reemployment Act of 1994 is designed to transform the current *unemployment* system into a comprehensive, universal *reemployment* system. The Reemployment Act of 1994 is founded on what works in reemployment services. It embodies these fundamental principles:

- ✓ One-stop shopping
- ✓ Customer focus
- ✓ Market-driven training programs
- ✓ Accountability

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

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

- **Outreach** – significant investments in participant outreach through rapid response and profiling;
- **Individualized services** – including the development of individual reemployment plans;
- **Comprehensive reemployment services** – basic services like job search assistance for all eligible dislocated workers, with more intensive services available to those who need them;
- **Program integration** – career centers, competitively selected, will provide assistance to all eligible dislocated workers;
- **Job retention** – governors may use state funds to help upgrade the skills of workers at risk of being laid off;
- **Customer choice** – dislocated workers can select training providers on the basis of performance-based information;
- **Reemployment insurance** – dislocated workers who need long-term training may receive income support beyond regular unemployment insurance (UI) benefits;
- **Performance accountability and outcomes** – the governance structure will ensure accountability to workers, employers, job-seekers and the local community for quality service and outcomes; and
- **National Grant Program** – the Secretary of Labor will manage a discretionary grant program to address such issues as large-scale economic dislocations and disaster relief.

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

Title II establishes a system of "reemployment insurance" – income support for permanently laid-off workers who are in long-term training. Reemployment insurance will be available to eligible dislocated workers who have exhausted all UI benefits and are participating in long-term training under an appropriate reemployment plan. This income support will also be available to workers who would have been eligible under the current Trade Adjustment Assistance program (TAA). With UI flexibility options, states could offer incentives for rapid reemployment or help businesses avert lay-offs by shortening hours and supplementing workers' wages with UI benefits.

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

Title III enables states to develop and implement statewide networks of One-Stop Career Centers. State, local and federal partnerships would ensure common goals, planning, service coordination and network oversight. One-Stop Career Centers would:

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

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

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

## **Title V -- JTPA Reinvention Labs**

Title V permits the Secretary of Labor to waive federal statutory or regulatory requirements to promote innovative programs to serve economically disadvantaged youth and adults.

## **Budget Overview**

For FY 1995 - 1999, the total investment is more than \$13 billion: \$9.9 billion in discretionary spending for dislocated workers; \$2 billion in capped mandatory funds for "reemployment insurance"; and \$1.25 billion in seed grants to states to build One-Stop Career Center systems for all Americans. For FY 1995 - 1999, 83% of the legislation is funded with discretionary funds; total mandatory spending is capped at \$2 billion and cannot exceed this amount. The mandatory-side spending is fully offset in the proposal and comes from two sources: consolidating two current programs and extending the .2 % FUTA surcharge.

When the Reemployment Act reaches full implementation in the year 2000, the system will be able to provide job search assistance and reemployment services to all dislocated workers who need and want help returning to work – estimated at 1.3 million people.

# Why The Proposed Reemployment Act of 1994 Works for Dislocated Workers

The **Reemployment Act of 1994** is a good deal for **dislocated workers**. The proposal means that all workers who have been permanently laid off or dislocated will gain access to a comprehensive array of services, designed to help them find new and better jobs quickly and to get the training they want and need. When fully implemented in FY 2000 there will be a projected total of 2.2 million dislocated workers.

- ❖ **Career Centers.** The Reemployment Act of 1994 will provide for Career Centers as the common entry points to help all eligible dislocated workers become re-employed quickly.
- ❖ **Integrated eligibility standards.** The Reemployment Act of 1994 will establish a single standard of eligibility for all dislocated worker programs sponsored by the Department of Labor. In contrast, the current system is a patchwork of narrow categorical programs, each with varying eligibility requirements and different sets of services and benefits.
- ❖ **Basic services.** Career centers will give dislocated workers access to such basic services as:
  - ♦ Customer-oriented job, career, training and education information;
  - ♦ Eligibility review and referral;
  - ♦ Testing and assessment;
  - ♦ Assistance in job search skills.
- ❖ These basic services will be available to all individuals seeking first jobs, new jobs, and better jobs. An estimated 1.6 million dislocated workers are expected to use these services in FY 2000.
- ❖ **Intensive services.** Besides basic services, **dislocated workers will have access to such intensive services** as individualized job search assistance, counseling and career planning, provider selection. An estimated 660,000 dislocated workers will receive intensive services.
- ❖ **Long-term training.** Most dislocated workers will have access to income support that enables them to participate in long-term training. Nearly 400,000 dislocated workers are expected to receive training when the program is fully implemented.
- ❖ **Choice.** Workers will be able to choose training and service providers that meet their individual needs most effectively -- and they will have access to data about the quality of services and the local economy that they need to make informed decisions.

# **Why the Proposed Reemployment Act of 1994 Works for the Disadvantaged**

**The Administration's Reemployment Act of 1994** will give many disadvantaged workers greater and easier access to the services and support they need to get a good job.

- ❖ A significant proportion of the dislocated worker population is disadvantaged; over one-fifth (21%) of the families of workers displaced in 1990 and 1991 was living in poverty, as opposed to 14% for other members of the working age population.
- ❖ Disadvantaged workers who become dislocated as a result of permanent job loss will be eligible for both basic and intensive services provided under a new comprehensive program that will provide easier access through one universal program, as opposed to a variety of categorical programs, and will ensure high quality services. These workers will receive the services and support they need to get into a successful career path.
- ❖ Income support for long-term training, as well as supportive services such as transportation and child care support, will make it possible for disadvantaged dislocated workers to enter into long-term education and training programs without having to worry about meeting their basic needs.
- ❖ Disadvantaged dislocated workers will benefit from the new customer focus. New performance measures, an insistence on meaningful outcomes of new jobs and good wages, local flexibility to meet unique conditions, and an unyielding focus on the needs of the customer -- all will contribute to a system of higher quality and responsiveness.
- ❖ Early identification and outreach to minority and female populations should help many disadvantaged dislocated workers get a new job or begin receiving effective services and training more quickly.
- ❖ In States which create One-Stop Career Center systems, all disadvantaged Americans, as opposed to just dislocated workers, will finally have a comprehensive, easy-to-access system for getting the support and information they need to make good decisions about their careers and their education and training. This means that today's duplicative, confusing, and uncoordinated system will become streamlined, efficient, and easy-to-use.
- ❖ Through the One-Stop system, all Americans will have easy access to high quality information on local employment opportunities, expected growth occupations in the local labor market, skills standards, the quality and effectiveness of education and training programs, and the resources available. This will help One-Stop customers -- including the disadvantaged -- to make good decisions about their futures.

# **Why the Proposed Reemployment Act of 1994 Works for Older Workers**

**The Administration's Reemployment Act of 1994** will give older workers the flexibility they need to continue their work life in the same or new careers, or to

- ❖ Today, three out of every five workers over 55 who lose their job find new jobs paying less than 80% of their former wages.
- ❖ Disadvantaged workers who become dislocated as a result of permanent job loss will be eligible for both basic and intensive services provided under a new comprehensive program that will provide easier access through one universal program, as opposed to a variety of categorical programs, and will ensure high quality services. These workers will receive the services and support they need to get into a successful career path.
- ❖ Today, it can be difficult for older workers to receive the training they need to update their skills and continue contributing their vast experience and knowledge. Income support for long-term training, as well as supportive services such as transportation, will make it possible for older workers to enter into long-term education and training programs without having to worry about meeting their basic needs.
- ❖ Older workers will benefit from the new customer focus. New performance measures, an insistence on meaningful outcomes of new jobs and good wages, local flexibility to meet unique conditions, and an unyielding focus on the needs of the customer -- all will contribute to a system of higher quality and responsiveness.
- ❖ Today, many older workers want to continue working, but do not understand that the layoffs in their industry or occupation are permanent. Early identification and outreach should help many older dislocated workers get a new job or begin receiving effective services and training more quickly.
- ❖ In States which create One-Stop Career Center systems, all Americans, as opposed to just dislocated workers, will finally have a comprehensive, easy-to-access system for getting the support and information they need to make good decisions about their careers and their education and training. This means that today's duplicative, confusing, and uncoordinated system will become streamlined, efficient, and easy-to-use.
- ❖ Through the One-Stop system, all Americans will have easy access to high quality information on local employment opportunities, expected growth occupations in the local labor market, skills standards, the quality and effectiveness of education and training programs, and the resources available. This will help One-Stop customers -- including older workers -- to make good decisions about their futures.

## **WHY THE REEMPLOYMENT ACT OF 1994 WORKS FOR DISPLACED HOMEMAKERS**

- o The Reemployment Act of 1994 will increase significantly the provision of readjustment services to displaced homemakers.
- o Some displaced Homemakers are currently provided services under JTPA Title IIA, but many do not qualify for services because of high family income immediately prior to separation.
- o Under Title III EDWAA Programs, displaced homemakers are served only if the Governor determines that services to dislocated workers will not be adversely affected; as a result, most States do not provide Title III services to this population.
- o In contrast to the lack of coverage under existing programs, **the Reemployment Act will provide basic services to all displaced homemakers separated within the past year and will allow the Governors the choice of providing additional services.**
- o The basic services that will be available to all recently displaced homemakers will include:

### **Outreach**

--Outreach to increase the population's awareness of services available to them under the Reemployment Act.

### **Pre-employment Services**

--Orientation, intake, and preliminary skills assessment, including testing, to determine service needs, such as basic and occupational skills, prior work experience, employment interests, and supportive service needs;

--Assistance in finding and keeping a job, such as resume and interview preparation, including workshops; information on job vacancy listings with earnings and skills requirements; and job referral and placement assistance;

--Group counseling and peer counseling, which is also available to individuals jointly with their immediate families; and group counseling on stress management and financial management;

--Information on DOL and non-DOL funded education and job training programs, including eligibility requirements, and referrals to such programs where appropriate;

### **Supportive Services**

--Information on programs and providers of dependent care and other supportive services available in the local area.

## Why The Proposed Reemployment Act of 1994 Works for Community Colleges

The Administration's proposed Reemployment Act of 1994 gives dislocated workers increased access to education and training opportunities -- including long-term training and income support during training. Many of these Americans will look to Community Colleges for the education and training services they need to get new jobs and build sustainable careers.

- ❖ **New funds for long-term training.** The Reemployment Act of 1994 proposes a new investment of \$13 billion, much of which will be for long-term training. Many workers will choose community colleges to provide them with the high-quality education and training they need to continue their careers..
- ❖ **An enhanced role as service providers.** Workers who lose their jobs -- regardless of the cause -- will gain access to information about education and training opportunities and funding available to them. And many of these customers will head to Community Colleges -- because they know community colleges work with local employers to offer programs that lead to real jobs.
- ❖ **A new role as Career Centers.** In addition to providing services themselves, Community Colleges will also have the opportunity to expand the range of services they offer by competing to become Career Centers for dislocated workers or One-Stop Career Centers. Community Colleges can also join forces with other community organizations to become members of the consortia that operate Career Centers.
- ❖ **A new role as system administrators.** Under the Reemployment Act, Community Colleges may apply to serve as the main administrators for local dislocated worker systems. This means that community colleges will have the opportunity to play central roles in creating local systems that work.
- ❖ **Full information on education and training opportunities.** Under the Reemployment Act, for the first time customers will have information about all qualified training and education opportunities available to them. Customers will then be able to choose the education and training providers which best meet their needs and which provide the best service -- and won't be limited to providers who have traditionally contracted with local administrative entities.
- ❖ **Access to high-quality Labor Market Information.** The Reemployment Act of 1994 will begin to build a National Labor Market Information system -- giving community colleges access to vital occupational information and better and more timely data on the national and local economies and labor markets.
- ❖ **A Seat at the Table.** Under the Reemployment Act of 1994, the central strategic planning, budgeting, and oversight authority for the One-Stop Career Center system will be the workforce investment board, which will include high-level representation from the local education community.

## *How the Reemployment Act of 1994 Works for America's Cities and Localities*

The President's Reemployment Act will build a **single, comprehensive reemployment system** that can provide services to all Americans seeking jobs -- whether new jobs, better jobs, or first jobs. In contrast, the current system is a patchwork of narrow categorical programs, each with different eligibility requirements and services.

- **Strategies for reemployment.** The Reemployment Act will provide strategies for *reemployment* -- not just *unemployment* services -- such as early job counseling, job-search assistance, and information on finding new jobs. There will also be new funds for long-term training. Helping people find new and better jobs also means decreasing the costs to the local economy and government resources that are associated with unemployment and underemployment.
- **Better career and job information.** The Reemployment Act will build a nationwide labor market information network that will give workers and employers the tools they need to make informed career and training choices. Cities will have the opportunity to work cooperatively with State and Federal partners to define the major elements of the system and its general requirements. Cities and localities will also have the flexibility to tailor these products and services to meet their needs.
- **Easier access to help.** A number of localities and states have already developed innovative systems for the delivery of employment and training services -- such as "one-stop career centers," which let localities provide universal access to services -- plus easier access to help. The Reemployment Act will build on these resourceful grass-roots approaches -- to make it easier for states to work with cities to set up streamlined one-stop career centers in selected localities -- to serve everyone seeking jobs. To get grants to set up "one-stop career center" networks, states will be required to work together with local entities.
- **"Consumer reports."** Under the Reemployment Act, "consumer reports" will give customers, employers, training providers and local governments meaningful standards to evaluate the services being offered by career centers.
- **Local-level governance.** The Reemployment Act means that local elected officials, drawing on community leaders from business, labor, education, and other organizations, will play a key role in overseeing the local workforce investment system -- and will be responsible for establishing an objective competitive process for selecting career center operators.
- **Increasing the investment in our cities and localities.** The Reemployment Act means increasing the investment in America's cities and localities -- by upgrading and improving access to jobs, skills, and information.

## *How the Reemployment Act of 1994 Works for Educational Institutions*

The President's Reemployment Act of 1994 gives dislocated workers increased access to education and training opportunities -- including long-term training and income support during training. Many of these Americans will look to educational institutions, such as community colleges and vocational technical schools, for the education and training services they need to get new jobs and build sustainable careers. The bill provides:

- **New funds for long-term training.** The Reemployment Act of 1994 proposes a new investment of \$13 billion, much of which will be for long-term training. Educational institutions will be able to provide Americans with the high-quality education and training they need to continue their careers.
- **An enhanced role as service providers.** Under the Reemployment Act, all education and training providers that are willing to provide performance data will be eligible to participate as providers -- not exclusively those providers that have traditionally contracted with local administrative entities.
- **Customer choice.** Workers who lose their jobs -- regardless of the cause -- will have information about all qualified education and training opportunities and funding available to them. These customers will then be able to choose the education and training providers that best meet their needs. Many will choose vocational schools and community colleges -- because they know education and training providers such as these work with local employers to offer programs that lead to real jobs.
- **A new role as Career Centers.** In addition to providing services themselves, educational institutions will also have the opportunity to expand the range of services they offer by competing to become Career Centers for dislocated workers or One-Stop Career Centers open to all job-seekers. Educational institutions can also join forces with other community organizations to become members of the consortia that operate Career Centers.
- **A new role as administrators.** Under the Reemployment Act, educational institutions may apply to serve as the main administrators for local dislocated worker systems. This means that educational institutions will have the opportunity to play central roles in creating local systems that work.
- **Access to high-quality Labor Market Information.** The Reemployment Act of 1994 will begin to build a National Labor Market Information system -- giving educational institutions access to vital occupational information and better and more timely data on the national and local economies and labor markets.
- **A Seat at the Table.** Under the Reemployment Act of 1994, the central strategic planning, budgeting, and oversight authority for the One-Stop Career Center system will be the Workforce Investment Board, which will include high-level representation from the local education community.

# *How the Reemployment Act of 1994 Works for American Business*

The Reemployment Act of 1994 represents a critical investment in America's future.

- Investing in workforce training and skill upgrading is a crucial priority for U.S. competitiveness – economic growth depends on a higher-skilled, more flexible workforce.
- Despite significant long-term unemployment in some areas, employers regularly face difficulties finding workers with the advanced skills they need.
- There is increasing consensus among America's business leaders that our nation's ability to compete in the global economy depends on whether we are as "willing to invest in upgrading people as we are in upgrading machinery." [Business Roundtable, August 1993]

The President's Reemployment Act will begin to transform the *unemployment* system into a *reemployment* system that works for businesses and job-seekers.

- Our present lack of a reemployment system is extremely costly for everyone. For example, we have spent over \$28 billion on the emergency unemployment compensation program (EUC) – spending that has helped people get by, but that has not moved them closer to new jobs and new careers.
- The Reemployment Act will immediately consolidate the current patchwork of narrow categorical programs for dislocated workers into a comprehensive system with a single eligibility standard. Regardless of the specific reason they lost their job, workers will be able to go to a "career center" and gain access to a full range of reemployment services.
- The legislation will further streamline the employment and training system by enabling states – through grants and waivers – to create "one-stop career center" systems, open to all job-seekers.
- The legislation will make sure that training programs are market-driven – and that precious training dollars are used to prepare people for real jobs.
- Further, there will be funding for longer-term training programs, thereby expanding America's pool of skilled workers – especially critical to growing industries.
- Unemployment insurance flexibility will help businesses avoid short-term layoffs by shortening average hours and letting workers collect some unemployment insurance until business rebounds.
- Job retention grants will help businesses avert substantial layoffs or closings – for example, by upgrading the skills of workers at risk of permanent layoff or by restructuring or reorganizing the company and retraining workers.

## *Good Labor Market Information -- Key to the President's Reemployment Act*

Good information on jobs is critical to any successful employment effort.

- Today, both job seekers and employers often must make training and hiring decisions in a vacuum, without easy access to state-of-the-art information about local and national labor markets and economies.
- Employers regularly face difficulties finding workers with the advanced skills they need -- yet significant long-term unemployment remains in some areas.
- In our current system, precious training dollars are spent training workers in occupations with little growth or demand.

That's why high-quality, easily-accessible labor market information is a key component of the President's Reemployment initiative:

- The legislation establishes a **National Labor Market Information System**, which will build on and strengthen existing Federal, State, and local systems.
- This **user-friendly** computer system will provide **easily-accessed information** on job openings, job candidates, occupational trends, wage rates, and skill requirements.
- "Consumer reports" will provide data on the performance of training program managers and service providers -- so customers can make informed training and career choices -- and effective training programs can show their results.

The Reemployment Act also calls for market-driven training programs -- ensuring that training connects people to real jobs.

- Workforce investment boards -- with **high-level representation from the business and education** communities -- will serve as the central strategic planning, budgeting, and oversight authorities for local one-stop career center systems -- guiding decisions about what jobs make sense to train for.
- Job-seekers will work with career counselors to develop **individualized reemployment plans**, including what training is appropriate -- based on good labor market information about what jobs are available and the results of specific training programs.

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# THE PRESIDENT'S REEMPLOYMENT PROPOSAL

## FACT SHEET

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### 1. CUSTOMER FOCUS -- EMPOWERING WORKERS WITH REAL REEMPLOYMENT CHOICES

The old system wasn't designed to help people find new and better jobs -- it was geared toward tiding people over until they got their old jobs back.

The Reemployment Act empowers workers to make good reemployment choices by providing real reemployment options.

- ☐ **Early outreach** -- to deliver help immediately, make workers aware of all reemployment options, and get them back to work faster;
- ☐ **Jobs Bank** -- part of a national labor market information system;
- ☐ **Individual reemployment plans** linked to real jobs -- including job search assistance and career counseling;
- ☐ **Entrepreneurial training** -- to help new businesses get off the ground;
- ☐ **Self-employment and new-business assistance** -- new flexible options for using unemployment insurance;
- ☐ **Long-term training** -- for complex new skills;
- ☐ **Reemployment insurance** -- an extension of unemployment insurance benefits, so dislocated workers can complete serious training programs;
- ☐ **One-stop shopping** -- for career counseling, information on jobs and training programs, unemployment insurance (UI) claims processing, and other services;

- ☐ **Income contingent loan opportunities** -- when grants do not go far enough;
- ☐ **On-the-job training** -- to gain or update occupational skills.

### 2. REPLACING FRAGMENTED PROGRAMS WITH ONE STOP, ONE PROGRAM

The old system was a patchwork of narrow categorical programs, each reserved for workers who lost their jobs for a specific reason.

- ☐ **One program:** Everyone who needs help, gets it. The new system stops the proliferation of special programs and puts the focus back on what workers need to get a new job -- not whether they lost their job for the "right" reason. It consolidates all six programs for dislocated workers into one program.
- ☐ **One-stop shopping:** In the old system, workers had to trudge to one government window after another to try to find information and services. Now, workers can open one door to many options -- at a career center or one-stop career center.

### 3. MARKET-DRIVEN TRAINING PROGRAMS

No more money to train people for jobs that don't exist. In the new system, the private sector -- not government bureaucrats -- will guide job training and skill standards.

- ☐ **Connecting people to jobs:** workforce investment boards with majority business representation will guide decisions about what jobs to train for, what jobs not to.
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- ❑ **Individualized reemployment plans:** workers will develop individualized reemployment plans - based on good information about jobs that are available.
  - ❑ **Reemployment response:** businesses -- including workers and managers -- can bid to become their own career centers and respond to layoffs or closings.
  - ❑ **Work-sharing:** unemployment insurance flexibility will enable businesses to avoid short-term layoffs by shortening average hours and letting workers collect some unemployment insurance until business rebounds.
  - ❑ **Consumer reports:** with information on graduation and placement rates and hourly wages, job seekers will be empowered to make their own education and training choices -- and providers will be held accountable for the results.
  - ❑ **Competitive bids:** career centers will be competitively selected, with room for competition in selection of one-stops.
  - ❑ **Performance standards with teeth:** standards will be based on customer performance outcomes, such as placement, skill acquisition, and customer satisfaction.

#### 4. ACCOUNTABILITY

The old system threw too many dollars at fly-by-night proprietary schools and unproven programs. What we need now is a new era of accountability and a system that lets workers see for themselves what works.

# **PROPOSED REEMPLOYMENT ACT OF 1994: BENEFITS FOR FEMALE AND MINORITY DISLOCATED WORKERS**

**April 20, 1994**

## **OVERVIEW**

The proposed Reemployment Act of 1994 has a number of provisions which will particularly benefit dislocated women and minority workers in making a successful transition to reemployment or completion of skills upgrading. Major components of the proposed program are described below, with discussions of their effects on these dislocated workers. Those features that will especially benefit women and minority workers, include: 1) improved outreach and early intervention, 2) the recognition of part-time and seasonal work in determining program eligibility, 3) increased availability of a wide range of reemployment services, 4) the improved quality of retraining services, 5) the availability of participant support services, and 6) the availability of mandated income support.

## **OUTREACH AND EARLY INTERVENTION**

- o A substantial increase in investment in outreach is proposed, focusing on three areas: 1) UI profiling, 2) on-site rapid response, and 3) labor market information.
- o Improvements in outreach will facilitate early identification and enrollment in services which particularly will benefit female and minority dislocated workers.
  - Research has shown that early enrollment of dislocated workers in reemployment services shortens the period of unemployment and improves post-program wages.
  - Female and minority workers who are dislocated experience longer periods of unemployment; females experience spells of joblessness that are 3.4 weeks longer than males, while minorities experience spells that are 4 weeks longer than whites.

## **PART-TIME AND SEASONAL WORKERS**

- o The proposed program's eligibility requirements specifically include those part-time and seasonal workers who suffer permanent job losses, making all such workers eligible for a wide range of readjustment services.
- o Women and minorities are over-represented in part-time and seasonal work, so that the proposed eligibility requirements will facilitate entry of these workers into the program.

## **AVAILABILITY OF REEMPLOYMENT SERVICES**

- o When fully implemented, the proposed program will offer a wide range of reemployment services to all dislocated workers.
- o All dislocated workers who want and need services will be eligible to receive basic readjustment services, including group counseling, job search assistance workshops, labor market information and monitored job search activities.
- o More comprehensive assistance will be available to all those dislocated workers, including women and minorities, unable to obtain employment through the basic readjustment services. These include individual case management counseling, as well as long-term education and training services.
- o Women and minority dislocated workers will particularly benefit from the increased availability of services because such workers are among those most in need of all types of reemployment assistance.
  - Studies show that following displacement the proportion of blacks in manufacturing and production-related occupations fell more than did the proportion of whites employed in the same industries and occupations. In addition, among employed men, blacks were less likely to regain employment in a similar industrial or occupational group.
  - Analysis of dislocated workers has found that being female increases the likelihood that the worker will have reemployment earnings at least 20% below pre-displacement earnings.

## **QUALITY OF RETRAINING AND EDUCATION SERVICES**

- o The proposed program will expand and improve the quality of education and training options which are available to individual workers. Workers, with the assistance of career counselors, will: 1) develop individual reemployment plans that focus on specific job goals, including non-traditional occupations for women, and identify the services needed to achieve these goals, particularly those services needed to overcome specific barriers to employment (e.g. literacy training and English-as-a-second language instruction), and 2) select the most effective reemployment strategies from an array of competing programs and organizations and make an informed choice regarding the provider of training or education. All education and training providers will be required to provide performance-based information to ensure that workers and counselors can make informed decisions.

- o Women and minority dislocated workers are more likely to want and need long-term retraining and education, and therefore, will significantly benefit from the individualized case management counseling and the resulting improvement in the quality of training and education offered by the program.
  - A survey of workplace literacy skills found that 40% or more of minority displaced workers are deficient in workplace literacy skills. For Hispanics, this frequently is due to English language deficiencies.
  - An evaluation of the Trade Adjustment Assistance (TAA) program found that being Hispanic significantly increases the probability that a participant will receive training.
  - It is estimated that 70% of all participants in skills training will receive classroom training and female EDWAA participants are much more likely to be enrolled in classroom training than male participants.

#### **PARTICIPANT SUPPORT SERVICES**

- o Supportive services will be available for all dislocated workers in the program, including those who only receive basic readjustment services (e.g. job search assistance) and those who receive more intensive services. Supportive services include but are not limited to child care and transportation. The availability of support services is important because displaced workers live in families that have significantly lower incomes and are much more likely to be poor than the families of other persons of the working age population:
  - Almost half (48%) of workers displaced in 1990 and 1991 had annual household incomes under \$25,000 in 1991, compared to only about a third (35%) of the entire working age population that had incomes this low.
  - Over one-fifth (21%) of the families of workers displaced in 1990 and 1991 were living in poverty, as opposed to 14% for other members of the working age population.
- o Minorities and women are heavily represented among those dislocated workers needing support services in order to effectively participate in the proposed program:
  - A large proportion of minority workers lose group health insurance as a result of job displacement.
  - Twelve percent of EDWAA participants, mostly women, are single heads of households with dependent children under the age of 18.

## **MANDATORY INCOME SUPPORT**

- o For experienced workers enrolled in training or education, the proposed program will provide extended income support following the exhaustion of regular UI benefits, to enable workers to complete long-term training or education. When the program is fully implemented, this extended income support will be provided through mandatory funding to those dislocated workers who qualify for regular UI and have one or more years of job tenure with their previous employer.
- o Women and minorities are among those most in need of income support to complete lengthy training programs, given that they earn less prior to becoming dislocated:
  - Female TAA participants earn less at separation from their jobs than males, due in part to their over-representation in the apparel industry and under-representation in the auto industry -- two of the largest industries in which TAA participants had prior jobs.
  - Minority EDWAA participants earned up to \$2.00 less per hour compared to white participants during the 13 weeks prior to enrolling in the program. Further, minority EDWAA participants were more likely to have been unemployed for 15 or more of the 26 weeks prior to EDWAA participation.
- o Based on the characteristics of workers displaced in 1990 and 1991, use of job tenure screens to determine eligibility for mandatory income support will have virtually no effect on the eligibility of female and minority dislocated workers for such support.
  - Women represented 38.8% of all displaced workers (regardless of job tenure), compared to 38.7% of all displaced workers with at least one year of job tenure, and 38.0% of all displaced workers with three or more years of tenure.
  - Blacks represented 12.3% of all displaced workers, compared to 11.7% of those with at least one year of job tenure, and 12.2% of those with three or more years of tenure.
  - Hispanics represented 10.4% of all displaced workers, compared to 9.9% with at least one year of job tenure, and 9.6% of those with three or more years of tenure.
- o Based on UI administrative data, the use of UI benefit receipt as a screen to determine eligibility for mandatory income support will have virtually no effect on the eligibility of female and Hispanic dislocated workers for such support.

- Women and Hispanic workers are represented in the UI system in roughly the same proportion to their representation among the total unemployed; women accounted for an average of 41.8% of UI recipients during May 1993 through January 1994 compared to 42.7% of the total unemployed in 1992 and 43.5% in 1993, while Hispanics accounted for 12.5% of UI recipients compared to 12.4% of total unemployment in 1992 and 12.6% in 1993.
- o In addition, in determining job tenure for income support eligibility, the proposed program will count part-time and seasonal work.
- Women and minorities are over-represented in seasonal and part-time jobs.
- o For those women and minority dislocated workers who do not qualify for income support payments, either because of insufficient job tenure or a failure to qualify for UI benefits, other sources of income support will be available, including needs-related payment under the supportive services authority and student financial assistance, such as Pell grants and income contingent loans.

## **"WHAT IS WORKING" Site Visits Fact Sheet**

### ***Background***

Today's economy demands that we help Americans move from old jobs to new ones -- and transform our "unemployment system" into a "reemployment system", grounded in the development of skills. The US Department of Labor has been engaging in an ongoing process to discover what is and isn't working in employment and training programs. The goal has been to learn more about successful programs and approaches; to extract the right lessons from those that have not worked; and to develop strategies to build upon those that are working best.

These programs have been identified through a variety of means:

- ~some are sites which Secretary Robert Reich or other DOL staff have visited during the year;
- ~some have been visited by the President or Vice-President during the National Performance Review as examples of government reinvention;
- ~some were found through review of extensive program data compiled by DOL's workforce initiative team throughout the fall of '93, which identified one-stop and consolidation activities across all states;
- ~some were found through consultation with key organizations such as the National Governor's Association and the AFL/CIO; and
- ~some have been formally recognized for their performance achievements by DOL previously.

### ***The "What is Working" Principles***

In meeting the Administration's goal of ensuring that all Americans who lose their jobs, due to changes in the economy, have access to effective assistance in finding new jobs, the new reemployment system has the following principles at its foundation:

*Universal Access* - Information and services regarding reemployment are provided to a broad range of citizens, rather than narrowly defined categories of eligible workers.

*One-Stop Delivery* - High quality, basic services are provided through a streamlined system which is accessible to customers.

*Comprehensive Service* - A full range of services -- including testing and assessment, individual counseling, career planning and identification of quality training or education providers -- is available, regardless of cause of worker dislocation.

*Customer Focus* - Delivery of programs and services is designed to provide the widest range of options possible; customer satisfaction is a prime measure of success.

*Training Linked to Jobs* - Programs and services are geared toward reemployment, providing both short and long-term training options, income support for those who need it, and training linked to real jobs.

*Innovative Use of Technology* - Kiosks, computer-assisted on-line information systems, toll-free telephones, and other innovations help customers obtain useful labor market information quickly and effectively.

#### ***Rationale for Selection as a "What is Working" Site***

Programs invited to be "What is Working" sites provide examples of a delivery system or key program components which have been effective in getting dislocated workers back to work. They are not labeled as specific "models", in the traditional sense, because they have not been evaluated for that purpose. They do not compete for this status nor are there any special grant or performance awards associated with this invitation.

Programs are generally selected because:

- 1) they contain an element that reflects a major principle or key feature of our workforce development initiatives;
- 2) at a minimum, all are achieving or have achieved good reemployment outcomes for dislocated workers, or in the case of disadvantaged workers, demonstrable outcomes of placement in higher wage/high skill jobs; and,
- 3) they represent diversity of geographic areas, consumers, and organizational entities.

These programs are not the *only* examples. They may not be the most perfect. They simply provide an opportunity to present actual examples of what seems to be working across the country. They are consistent with one or all of the organizational principles underlying an improved system and represent creative local approaches to getting dislocated workers back to work.

#### ***"What is Working" Site Visit Logistics***

A site visit usually includes a tour of a one-stop center or training facility; discussions during the tour with front line staff and consumers who are engaged in a reemployment activity;

and a possible "practice" activity, such as a computerized job skill assessment or "self service" kiosk for job listings.

Tours are generally followed by a roundtable discussion with a mixed group of consumers, employers, front line staff. Meetings with program administrators and public elected officials generally occur as well. Interviews with local media typically follow tour activities.

***For Further Information about Sites***

Members interested in visiting already identified sites or who wish to inquire about the availability of a site in their district may call Stephanie Powers, Special Assistant to Assistant Secretary Doug Ross at the Employment & Training Administration, 273-0662.

Additionally, "What is Working" materials are available, such as an analysis of what works in employment and training programs; profiles of previously identified sites, and resource information for talking points.

## BUSINESS SUPPORTS THE REEMPLOYMENT ACT

"The Reemployment Act is a focused strategy to build a job training and employment system that works for people looking for jobs and employers. It cuts government programs for dislocated workers down to single universal program which focuses on the customer. I believe that it represents an opportunity to link many programs through One-Stop Centers and holds them accountable for helping people get the services they need to get jobs. In doing so, it can help employers and workers meet the competitive challenges of the future."

Alan Wurtzel, Chairman of the Board  
Circuit City Stores

"I would like to express the strong support of National Small Business United (NBSU) for the direction and shape of the Administration's workforce training proposal . . . Specifically, we are impressed with the strong role that the business community will play at the local level in shaping and overseeing their own reemployment initiatives. This element is critical for the success of the plan . . . NBSU is particularly excited about the prospect of a strong worker retraining system, since worker training is a major problem for small businesses. Small businesses are often unable to run their own training programs as big businesses do, and are forced to accept the workers and skill levels that are available in the market. A more highly skilled workforce will greatly help the small business community to continue leading our nation's economic growth."

Ron Cohen, President  
NSBU

"On behalf of the New England Council, I wish to express my support for the key principles incorporated in the Reemployment Act of 1994 and to applaud the Clinton Administration for moving forward on this very important issue . . . The Council is particularly pleased with the proposal to consolidate into a single delivery system the numerous categorical programs for dislocated workers. This approach will lay the foundation for a more comprehensive, integrated workforce investment system over time."

Peter Meade, President and CEO  
New England Council

"The ability of organizations and individuals to adapt to and maximize new information technologies is critical to our future as a global manufacturing leader. The Reemployment Act of 1994 provides access to advanced training and jobs programs, vital to preparing the U.S. workforce to embrace the new economy."

Rick Inatome, Chairman and CEO  
Inacom Information Systems

"It is our obligation to help individual workers adjust to rapid change. We must be willing to invest in this; otherwise, we will lose the freedom to do so. I am supportive of the Reemployment Act. It is well-conceived and should be acted upon in a timely manner."

Frank Doyle, Executive Vice President  
General Electric Corporation

"The Administration's proposed legislation . . . represents an important start in addressing the problems of worker dislocation caused by structural change in the U.S. economy. The thrust of the legislation is consistent with the Business Roundtable's own principles and recommendations for comprehensive reform to help dislocated workers transition to new careers . . . The Roundtable commends the proposed consolidation of existing dislocated worker programs. It also applauds provisions which provide a framework for one-stop shopping and establish a leadership role for the business community."

Lawrence Perlman, Chairman  
Workforce Development Working Group

"Through our support of NAFTA and other free trade efforts we are encouraging changes that benefit society as a whole. We need to create systems that give people the tools to cope successfully with these changes. The Reemployment Act is an important step in providing those tools and should be enacted this year."

Mitchell E. Kertzman, Chairman and CEO  
Powersoft Corporation

"Siemens, in general, and I in particular are strong promoters of vocational training based on practical experience on the shop floor combined with concurrent theoretical schooling. I, myself, am a product of this system. In fact, Siemens is running pilot apprenticeship-training and skill improvement programs at three of its American facilities in an effort to adapt the German dual system of vocational training to meet the needs of the U.S. We feel that only well trained employees will have the best re-employment opportunities, particularly in an environment that has become increasingly competitive and in a country that is so dependent on the qualification of its workforce."

Albert Hoser, President and CEO  
Siemens Corporation

"On behalf of the Board of Directors of the National Association of Private Industry Councils (NAPIC), I am writing to convey our support for the overall direction and principles of the Reemployment Act of 1994. NAPIC has always believed that the economic security of our citizens depends on a workforce investment system that serves all workers. In our judgment, the Reemployment Act of 1994 is an important first step in building such a system."

Skip Schlenk, Chair, Board of Directors  
NAPIC

## RECENT INDICATIONS OF JOB ANXIETY AND JOB LOSS

### Times Mirror Poll (4/6/94)

A poll released by the Times Mirror on April 6 reveals the public's deep concern about job insecurity and unemployment. Improving the jobs situation was the number one response (26%) to the question, "Which problem should President Clinton give the highest priority to?" – ahead of crime (23%), the budget deficit (20%), and health care (16%).

Jobs/unemployment was the only issue that registered in the poll as a problem on national, community, and personal levels for those surveyed. As many as four in ten Americans at each income level worried that they might lose a job or have to take a pay cut – with seven in ten or more concerned about their children's job opportunities.

More job training was the most popular solution to the jobs problem (61% of those polled), along with education (51%). Training and jobs programs were also seen as key to solving other important problems, such as crime.

### New York Times Poll (3/11/94)

The *New York Times* poll indicates that 45% of all currently employed workers in the Northeast (39% overall) "worry" that during the next two years they might be laid off, have to work reduced hours, or be forced to take a pay cut. Twenty-five percent of those surveyed said that they had personally experienced layoffs, reduced hours, or cuts in pay in the last two years; 77% said they personally knew someone who had lost his or her job in the last couple of years.

### Challenger Employment Report (March 1994)

Job cutbacks increased 29% from February to March, pushing the total jobs lost in the first quarter to 192,572. This is 11% more than last year's first quarter total (170, 615). One explanation is the increase in mergers, resulting in lost jobs. The aerospace, computer, and communications industries accounted for 48% of the cutbacks announced in March (the same industries accounted for 40% of cutbacks a year ago).

April 13, 1994



The Business Roundtable

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# Workforce Training and Development for U.S. Competitiveness

August 1993

### *Dislocated Workers*

The Federal government currently has separate programs to provide retraining for workers losing their jobs on account of international trade, defense conversion, and clean air requirements as well as for any workers who have been laid off and are unlikely to return to their previous occupation and industry. These programs vary in their administrative structure, the training available, the income support provided and in the method of funding. Some are an entitlement and others are funded through discretionary appropriations.

A dynamic economy and the impact of foreign trade, defense conversion and technological change may require workers to change occupations and/or industry several times during the course of their working lives. The North American Free Trade Agreement, for example, is expected to stimulate job growth in the U.S. but could also be a factor in some worker dislocation that justifies worker retraining and adjustment assistance. Workers will need to acquire new skills throughout their careers in order to adjust to such changes. A workforce development program for dislocated workers should reflect the following considerations:

- There should be a single publicly-funded program available to provide training for all workers permanently dislocated from their jobs who need new skills to secure productive employment. The problems of job dislocation caused by technological change, defense reductions, environmental impacts and trade policy and international competition are not fundamentally different and should not be addressed with separate programs. Accordingly, the existing Trade Adjustment Assistance (TAA) and Economic Dislocation and Worker Adjustment Assistance Act (EDWAA) programs should be consolidated appropriately into one comprehensive program for dislocated workers. While it is necessary to have an adequate and effective adjustment assistance program for any dislocations which may result from the North American Free Trade Agreement, there should not be a special new program created solely for that purpose.

- Workers needing retraining should be identified early so that they may receive income support during retraining from the employer-financed unemployment insurance system. After exhaustion of UI benefits, eligible workers could receive appropriate income support from the dislocated worker program. Counseling, assessment, job search assistance, labor market information and other basic transition services are, like training, critical components of an effective adjustment program for dislocated workers. Training commitments and support should be of sufficient duration to give the dislocated worker the new skills needed in the high performance workplace.
- An effective information system should be developed for determining the skills and occupations for which there is demand, for getting that information to dislocated workers, and for assessing workers' aptitudes and abilities to determine which training programs will be most effective in preparing for realistic new occupations.
- General revenue funding should be made available in sufficient amounts to provide an effective program of transition services, training and income support for dislocated workers. The business community should support a federally-funded dislocated worker program, with an annual appropriation, that would provide appropriate "packages" of services, training and income support to eligible workers.

WEDNESDAY, DECEMBER 29, 1993

# The Washington Post

AN INDEPENDENT NEWSPAPER

## *A 'Reemployment' Program*

**T**HE GOVERNMENT'S traditional response to the problem of unemployment has been to pump up the economy, help provide some benefits and wait for workers to find reemployment mostly on their own. The Clinton administration thinks that in the present world economy that's not enough. The president's people worry that more and more U.S. workers are being permanently laid off, meaning that their old jobs are lost for good to foreign competition or technological or policy change, and they have to seek entirely new ones. Partly because of these structural trends and partly for other reasons, Labor Department officials also observe that more and more workers are remaining unemployed for more than six months. The nature of the problem has changed, they say, and the government's response must change as well.

The president is expected to send up a "reemployment" or "work force security" bill next year. Most of the likely recommendations make good sense. They do so almost independently of the elaborate rationale the administration has constructed for them—the view that unemployment now is somehow different from in the past, which not everyone fully accepts. Some of the sensible steps have been proposed before. The government now runs six mostly small retraining programs for workers who lose their jobs to one or another structural cause. There is trade adjustment assistance, defense conversion assistance, assistance to eastern coal miners who lose their jobs to the Clean Air Act etc. The administration would consolidate these legislative and historical artifacts into a single retraining program for all permanently laid-off workers who

qualified. It would try to improve the quality of assistance to the unemployed by creating a nationwide information network and a system of one-stop offices across the country in which an applicant could receive all the forms of available aid.

It would aim to identify earlier than tends to happen now those workers unlikely to get their old jobs back and speed their move to other employment. The faster return to work would mean, among other things, a cut in benefit costs. The government might share the savings with workers who returned to work before their insurance expired; it might share costs with people who accepted temporary part-time work as well. The bill will likely seek to improve the broken existing system for paying benefits to those in higher-unemployment states who exhaust their basic 26 weeks of insurance. Insofar as funds are available, it will also seek to expand the current training programs to help the structurally unemployed go back to school.

It's hard to quarrel with much of that on the strength of what is known thus far and assuming, as we do, that the budget rules won't be broken. The goal of helping U.S. workers adapt—switch rather than fight—in the face of changing economic circumstances that they can't hope to resist is a legitimate function of government. There has always been a lot of "permanent job loss" in the large U.S. economy. It's been accompanied and offset by growth. The administration contends the adjustment process is tougher now than in the past; that may or may not be true. The government still should do all it usefully can to ease the process. That seems to be what the president is proposing here.

# The Reemployment Act of 1994

From the President's remarks to the American Society of Newspaper Editors

April 13, 1994

"And finally this year we're going to try to change the unemployment system into a reemployment system . . . Today most people don't get called back to their old jobs. Instead they have to find new ones. We should no longer ask people to pay for a system that leaves people idle for a period of months after which they're out of work with no training, no skill and not a good prospect for the future. So we believe that from the day a person is unemployed, he or she should be involved in a retraining and a new job placement program immediately. It will cut the period of unemployment; it will increase the national income; and it will certainly honor the values of the American middle class if we change this system."



**Troubled waters.** Paul Farrow launched a kayak business while on unemployment.

## Paddling against the jobless tide

*Clinton wants unemployment insurance to help those who are permanently out of work*

**F**or months, Bill Clinton has insisted that global competition can benefit American workers—if accompanied by government programs that cushion job losses. And last week, in his NAFTA victory speech, the president had scarcely begun celebrating before he began pushing for a national “re-employment” system that would address widespread anxiety over job security.

The administration’s Workforce Security Act, which Labor Secretary Robert Reich plans to send to Congress in January, would overhaul the nation’s unemployment insurance system, a \$26 billion program that has served as a national safety net for jobless Americans since the Great Depression. Why an overhaul? Unemployment insurance was designed in the 1930s, when a significant share of laid-off workers could expect to be called back to their old jobs. But today, as company after company downsizes permanently, a record three fourths of laid-off workers have lost their jobs for good. In the past four years alone, some 1.7 mil-

lion U.S. manufacturing jobs have disappeared, most of them forever. Says Reich: “We need a re-employment system, not an unemployment system.”

**Creative spending.** The administration’s proposal speaks to a nagging criticism of unemployment insurance: that it prolongs joblessness by subsidizing the idle. Reich would encourage states to redeploy benefit checks in creative ways: as cash rewards for workers who find jobs quickly, as stipends to start small businesses and as training subsidies for those who want to retool their skills.

In addition, Reich would streamline the nation’s network of 1,700 unemployment insurance offices. That network is now so fragmented that in many states, a jobless worker goes to one office to apply for benefits, another to scan job openings and perhaps a third to apply for retraining funds. A 1989 Labor Department study found that one third of the people who applied for unemployment benefits never got as far as the Employment Service, where new jobs are listed, and fewer

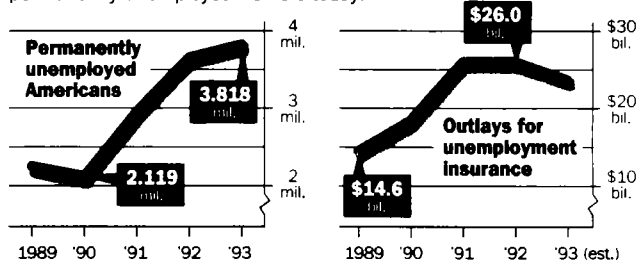
than 1 in 10 got any job-search training. Reich would replace this system with "one-stop career centers" that would distribute unemployment checks, match job seekers with job openings and identify workers whose skills are obsolete.

The administration had hoped to send a bill to Congress last month, but it ran into a political buzz saw. Skeptics still smarting from last summer's budget battle balked at the \$3 billion price tag for retraining; Congress has been unable to pass even a \$1.1 billion extension of emergency benefits for the long-term unemployed. Labor said Reich wasn't setting aside enough money and feared he would cut off benefits to needy workers. And even Clinton's allies warned that the bill would become a casualty of the NAFTA battle. Reich relented, offering a stopgap, \$90 million retraining program for workers dislocated by NAFTA, but promises to return with comprehensive reform in January.

The Workforce Security Act will still face hurdles on Capitol Hill, especially over funding, but key components of Reich's plan have already been successfully field-tested in local pilot projects from New Jersey to Washington State. When jobless workers apply for unemployment benefits in New Jersey, for example, they are asked a few simple questions to determine if they will ever be

### Tattered safety net

Originally designed to help with short-term joblessness, the unemployment insurance system is struggling to cope with legions of permanently unemployed workers today.



Note: The permanently unemployed are job losers who do not expect to be recalled to work. Unemployment insurance outlays include federal and state payments for regular unemployment insurance and for emergency extended benefits.  
USN&WR—Basic data: U.S. Dept. of Labor

called back to their old jobs. Workers identified as permanently "dislocated" are enrolled within five weeks in career workshops and job-hunting classes. A 1989 study of this "early intervention" strategy found that workers who got rapid help found jobs one week sooner—after about 17 weeks—than their counterparts in a control group. That allowed the state to save \$81 to \$170 per person in reduced benefits. Now New Jersey is expanding the program to include training subsidies for dislocated workers and is installing computerized career-guidance kiosks in shopping malls.

To change the system's financial incentives, Reich would also let states pay cash bonuses to workers who find jobs quickly, a tactic that has been tested in New Jersey and Illinois. Illinois, for instance, offered bonuses of \$500 to work-

ers who found jobs by their 11th week on unemployment and stayed employed for at least four months. Workers in the experiment found jobs an average of 1.15 weeks sooner than their counterparts in a control group—without settling for lower wages. For every \$1 paid in bonuses, Illinois saved \$2.30 in lower benefit payments.

**Building a business.** A common complaint about traditional unemployment benefits is that recipients don't qualify unless they are searching for work, a process that often prevents them

from going back to school or starting their own businesses. Reich would expand on experiments in Massachusetts and Washington State, which waived the requirement and let recipients use their benefits as a crutch while starting a business. In Massachusetts, an applicant could collect a "self-employment stipend" for 24 weeks while drafting a business plan and attending workshops on marketing, finance and other small-business skills. Only about 5 percent of eligible applicants tried the program, but among those who started companies, 80 percent were still in business one year later and 35 percent had actually put others to work. Moreover, they saved the state \$1,400 per person because they got off unemployment so quickly.

Field testing hasn't answered all the questions about Reich's proposal. How many workers, for instance, really have the gumption to start a successful business? Is the economy creating enough good jobs for workers who upgrade their skills? Can counselors at one-stop career centers truly identify the workers who deserve costly retraining subsidies? But economic reality suggests that pressing for answers to these questions is better than subsidizing workers who simply wait for a phone call that probably will never come. Says Paul Farrow, who started a successful kayak-making business while collecting unemployment in Massachusetts: "The old system drags you back into an ever shrinking job pool. This system might expand the pool." ■



**Wired.** New Jersey is installing computerized career-guidance kiosks in shopping malls.

By DAVID HAGE

# From Coast to Coast, From Affluent to Poor, Poll Shows Anxiety Over Jobs

## The New York Times Poll

### Job Insecurity

Percentage who worry that during the next two years they might be laid off, have to work reduced hours, or take a cut in pay.



Based on 692 respondents who said they were in the work force, but not self-employed, interviewed by telephone Feb. 15 to 17.

The New York Times

By MICHAEL R. KAGAY

While Americans perceive that the economy has improved in recent months, their sense of insecurity about their own jobs is substantial and pervasive, with anxiety spread across all geographic regions and through all occupational levels, according to the latest New York Times Poll.

Two-fifths (39 percent) of workers interviewed in the nationwide poll expressed "worry," either a lot or some, that during the next two years they might be laid off, required to work reduced hours or forced to take pay cuts.

In the Northeast, 45 percent expressed such concerns, compared with 38 percent in the Midwest, 38 percent in the South and 31 percent in the West.

Forty-eight percent of blue-collar workers said they were nervous about layoffs, reduced hours or wage cuts, and so were 36 percent of those in professional or managerial occupations.

#### Anxiety at All Income Levels

Forty-four percent of those with household incomes under \$30,000 expressed worry, but higher-income respondents were only slightly less insecure. Thirty-six percent in households with income from \$30,000 to \$50,000 were concerned, as were 34 percent in households with incomes over \$50,000. Forty percent of blacks were worried, as were 37 percent of whites.

The nationwide telephone poll was conducted Feb. 15 to 17. The job insecurity questions were asked of 692 adults who were in the work force and whose current or most recent work was for an employer, rather than being self-employed. For that group, the margin of sampling error was plus or minus four percentage points.

Many respondents had reasons to be anxious. A quarter of the work force (24 percent) said they had personally experienced layoffs, reduced hours or cuts in pay in the last two years.

Others observed the problems of people

## Layoffs, pay cuts or reduced hours have taken a heavy toll.

around them. 77 percent said they personally knew someone who had lost his or her job in the last couple of years. And 67 percent said loss of work — layoffs, jobs moving away or jobs just disappearing — was a substantial problem facing their communities in general.

When asked to characterize how secure they felt in their jobs, only 29 percent of workers said they felt "completely secure." An additional, 48 percent said "pretty secure," while 14 percent answered "not too secure" and 8 percent said "not secure at all."

#### Need for Extra Jobs

The poll reflected other ways in which workers have been buffeted by changes in the economy. Nearly two-fifths (39 percent) said that "to try to stay even financially" during the last two years they had had to work overtime or take on extra jobs. Younger workers were especially likely to report this.

Many of these worried workers are trying to improve their job prospects. Two-thirds said they had got some retraining or taken other steps to improve their job skills in the last two years.

Many Americans may need those new skills. Asked to look toward the next 5 or 10 years, only 31 percent saw a "big future" in their line of work. Forty-nine percent said there was "some future," but 13 percent predicted "not much future" and 5 percent saw "no future at all."

Thirty percent said they "sometimes had serious regrets" about choosing the occupations they did, while 66 percent said they were satisfied with their decisions.

When asked to look further ahead, 69 percent said that if they had young children, they would recommend that they find a different line of work. Such a high figure probably reflects the natural wish of parents for a better life for their children as well as pessimism over their jobs.

The poll also revealed some fraying in the relations between employers and workers. Sixty-four percent said most employers show less loyalty to their workers now than in the past. Similarly, 55 percent said most working people today show less loyalty toward their employers than before.

The poll also found that 29 percent of workers received no fringe benefits, while an additional 19 percent received fringe benefits but judged them as only fair or poor.

The New York Times  
March 11, 1994

This article originally appeared in *The Washington Post*, December 10, 1993. Permission granted to reprint.

## BIG MONEY

*Robert Reich and the Job Revolution*

# The Brave, New, Scary World of Job Skills You Don't Have

By James K. Glassman  
Special to The Washington Post

Labor Secretary Robert Reich is struggling these days with an unsettling problem: The American work force is changing, and many workers are unhappy about it. Their anger surfaced in opposition to the North American Free Trade Agreement, the Perot movement and even the defeat last year of President Bush.

Assuaging this anger is a problem for the Clinton administration—specifically for Reich, who works long hours in a gigantic office under a portrait of Frances Perkins, who, he marvels to a visitor, “had this job for 16 years!”

Reich’s message is that change will be good for workers—as long as they have skills to sell. For those that don’t, he proposes urgent help.

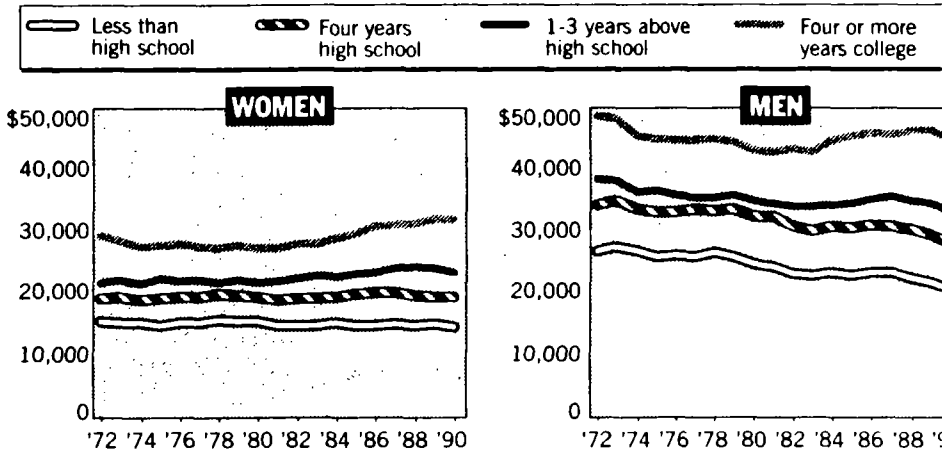
In early February, Reich will send the Workforce Security Act to Congress. He says flatly that the current federal system for workers is “not designed to help people find first, new, or better jobs.”

Instead, it offers a safety net (mainly unemployment insurance) to tide folks over until they get their old jobs back as the business cycle turns up.

But those old jobs aren’t coming back.

## PAY GAPS

MEDIAN INCOME FOR WORKERS 25 YEARS AND OLDER, BY EDUCATION LEVEL, IN 1991 DOLLARS



SOURCE: Census Bureau

THE WASHINGTON POST

Pressured by global and domestic competition and by their own stockholders, U.S. companies are learning how to become more productive.

In just eight years, for example, the steel industry figured out how to produce 45 percent more steel using 30 percent fewer workers.

Or consider Xerox Corp., which announced Wednesday it was cutting 10,000 jobs—even though it’s making a half-billion-dollar profit this year. Xerox is simply taking advantage of new technology and organization to reduce its costs and increase its productivity.

Overall, such steps benefit the economy  
See BIG MONEY, F2, Col. 1

# Revolution in the Workplace Is Both Scary and Liberating

**BIG MONEY, From F1**

(since profits become investment capital), but they can leave individual workers out in the cold.

The challenge for Reich is how to get those dislocated workers back into the labor force quickly. His bill isn't grandiose, but, then, it probably shouldn't be.

The main role of the government will be to provide information—to set up a giant data bank to match employers with potential employees, to help displaced workers get training at places such as community colleges and to offer job counseling.

In this brave new post-NAFTA world, Reich said, "there's a secular shift in favor of skilled, not unskilled, workers."

What he has to teach Americans is that the shift—at least for this country—is good, not bad.

In a global economy, the fight for unskilled, or low-skilled, production jobs—jobs like sewing pockets on shirts, say—is vicious. Countries with low living standards will win.

But when it comes to skilled jobs, U.S. workers have an advantage—not just brains but an ingrained spirit of individualism, the idea that we can all be little economic engines of our own, not just cogs in a corporate machine.

"Sure change entails upheaval and dislocation," writes Myron Magnet in his new book, "The Dream and the Nightmare," "but the flexibility of Americans, their readiness to reinvent themselves and remake their circumstances, is a key element both of the American national character and of American economic success."

We don't always have the *right* skills, but we can get them. Experts say this country has the best post-secondary education system in the world, and not just for the top tier.

Booming Thomas Nelson Community College in Hampton, Va., for example, is developing top automotive technicians with help from Ford Motor Co. and aerospace engineering technicians with help from the National Aeronautics and Space Administration.

Students there understand that a high school diploma "doesn't get you a job as a car mechanic anymore," said Robert Templin, the college's president.

Reich makes this point with a graph that shows the big difference in earnings between high school graduates and workers with just one to three years of extra training of any sort.

For men, in the most recent year, that difference was more than \$5,263 in annual pay, or 19 percent; for women, 21 percent.

A study by the Bureau of Labor Statistics last month identified the skilled jobs that will grow quickly and pay well from now to the year 2005.

They don't involve brain surgery or splitting the atom, but they do stress individual problem-solving, and they're generally more rewarding personally than production-line work, which, Reich believes, has been romanticized.

Fastest-growing new jobs? In 1992, there were 1.8 million registered nurses in the United States,

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*As long as Americans understand they're not helpless victims, they can improve their skills.*

making an average of \$34,476 a year; by 2005, the Labor Department estimates there will be 2.6 million, an increase of 44 percent.

Other hot jobs that don't require college degrees: data-processing machine repairers, up 46 percent in the next 13 years; food service and lodging managers, up 44 percent; offset press operators, up 37 percent; radiology technicians, up 63 percent; paralegals, up 85 percent; and musicians (!), up 25 percent to 295,000 jobs.

As long as Americans understand they're not helpless victims, they can improve their skills. Self-interest should do the trick.

As Gary Burtless, a Brookings Institution economist, said, "The government already offers a variety of inducements—like student loans and low community college tuition—for individual workers to invest in their own general training."

But Burtless and others believe much pain can be avoided if the government forces companies to spend more on training their own workers—through a plan similar to one President Clinton pushed during the campaign, then abandoned. (After all, it looked like a tax!)

On the whole, Americans seem to be adapting well to this new economic world—certainly better than Europeans.

It's scary, but it can also be liberating.

4/28/94

THE REEMPLOYMENT ACT OF 1994  
SENATE COSPONSOR LIST  
FOR S.1951 AND S.1964

(Currently 20 members)

18 Original Cosponsors

|                            |            |
|----------------------------|------------|
| Barbara Boxer D-CA         | Both bills |
| *Bill Bradley D-NJ         | S. 1951    |
| John B. Breaux D-LA        | S. 1951    |
| Thomas A. Daschle D-SD     | Both bills |
| Christopher J. Dodd D-CT   | S. 1964    |
| Wendell H. Ford D-KY       | Both bills |
| *Edward M. Kennedy D-MA    | S. 1964    |
| *Howard M. Metzenbaum D-OH | S. 1964    |
| *George J. Mitchell D-ME   | Both bills |
| Barbara Mikulski D-MD      | S. 1964    |
| *Patrick Moynihan D-NY     | S. 1951    |
| Carol Moseley-Braun D-IL   | Both bills |
| Claiborne Pell D-RI        | S. 1964    |
| David H. Pryor D-AR        | S. 1951    |
| Donald W. Riegle, Jr. D-MI | S. 1951    |
| *John D. Rockefeller D-WV  | S. 1951    |
| Paul Simon D-IL            | S. 1964    |
| Harris Wofford D-PA        | S. 1964    |

Recently Confirmed Cosponsors:

|                    |            |           |
|--------------------|------------|-----------|
| Daniel Inouye D-HI | Both bills | (4/4/94)  |
| Patty Murray D-WA  | Both bills | (4/26/94) |

\* Lead sponsors

4/28/94

THE REEMPLOYMENT ACT OF 1994  
HOUSE COSPONSOR LIST  
FOR H.R.4040 AND H.R.4050

(Currently 54 members)

33 Original Cosponsors (\*denotes lead sponsor)

Jim Bacchus D-FL  
William L. Clay D-MO  
Harold E. Ford D-TN  
Sam Gejdenson D-CT  
Gene Green D-TX  
Harry Johnston D-FL  
Ron Klink D-PA  
John Lewis D-GA  
Nita M. Lowey D-NY  
Robert T. Matsui D-CA  
George Miller D-CA  
Timothy J. Penny D-MN  
\*Dan Rostenkowski D-IL  
Thomas C. Sawyer D-OH  
Robert C. Scott D-VA  
Alan Wheat D-MO  
Lynn Woolsey D-CA

Bob Carr D-MI  
Rosa L. DeLauro D-CT  
\*William D. Ford D-MI  
\*Richard A. Gephardt D-MO  
Steny H. Hoyer D-MD  
Barbara B. Kennelly D-CT  
Michael J. Kopetski D-OR  
Sander M. Levin D-MI  
Matthew G. Martinez D-CA  
Jim McDermott D-WA  
Nancy Pelosi D-CA  
Bill Richardson D-NM  
Martin Olav Sabo D-MN  
Patricia Schroeder D-CO  
Jose E. Serrano D-NY  
\*Pat Williams D-MT

Cosponsors Shortly After White House Event:

John Bryant D-TX  
Vic Fazio D-CA  
George Hochbrueckner D-NY  
Peter Hoagland D-NE  
Dave McCurdy D-OK  
John Murtha D-PA

Peter A. DeFazio D-OR  
Sam M. Gibbons D-FL  
Maurice D. Hinchey D-NY  
Dale E. Kildee D-MI  
Austin Murphy D-PA  
Barney Frank D-MA

Recently Confirmed Cosponsors

Dan Hamburg D-CA (4/21/94)  
Don Edwards D-CA (4/21/94)  
Norman Mineta D-CA (4/21/94)  
John Olver D-MA (4/22/94)  
Sam Farr D-CA (4/28/94)

Ronald Dellums D-CA (4/22/94)  
Anna Eshoo D-CA (4/21/94)  
Howard Berman D-CA (4/21/94)  
Frank McCloskey D-IN (4/26/94)

Need Final Confirmations from:

Calvin Dooley D-CA  
Lucille Roybal-Allard D-CA

Alcee Hastings D-FL

Positive Responses from:

Clyburn  
Price  
Coleman  
Andrews

Durbin  
McNulty  
Klezca  
Stark

REA - FOLLOW UP SHEET ON CONGRESSIONAL MEETINGS

Hispanic Caucus

Meeting: RBR met with the group March 24

Assignments:

- Need to follow up with phone calls to staff and schedule a staff briefing

RESULTS: Staff briefing scheduled for Friday, 4/22 (Pat Fahy, Ray Uhalde and others). This meeting was changed to a staff briefing for staff of Hispanic Caucus only to discuss their own position. Ray and Pat will meet with the Hispanic Caucus Friday, 4/29

- Finalize negotiations with Becerra (Pat)

RESULTS: In process

House Party Effectiveness Group

Meeting: RBR met with the group April 14th

Assignments:

- There should be a staff level briefing held to discuss what the members can do over Memorial Day recess. Packets should be prepared as samples for the staff to take to the briefing.

RESULTS: A staff level meeting has been arranged for Friday, April 22. GP, DR, AL will brief the staff and distribute sample material.

- Develop materials for briefing: 2 fact sheets 1) "What's Working" Criteria, 2) Talking points on What Works. Also list of "What's Working Sites". (ETA/JH)

RESULTS: Material completed 4/22

ASSIGNMENT: 97 staff members attended the Staff Briefing. Numerous requests for more information and material. Need to fill orders (Jane/Skunkworks)

RESULTS: In Process

- o Follow phone calls should be made to members re cosponsorship

RESULTS: Phone calls were made to staff by JL, TH, CM, DL, and PF no confirmed co-sponsors but Price, Olver, Clyburn, Coleman, Andrews, Stark, Durbin, McNulty, and Klezcka are close. Members need more time to review bill.

John Ladd and Tanya Harvey are following up with staff

RESULTS: Olver agreed to co-sponsor 4/22 (Tanya)  
Staff informed that Price inclined to sign on need more time to review the bill (4/26 (Tanya)  
Follow-up with Clyburn, Coleman, Andrews, Stark, Durbin, McNulty and Klezcka (John)

### Congressional Sunbelt Caucus

Meeting: RBR met with the group on Tuesday, April 19th

#### Assignments:

- o There should be a staff level briefing between Joe Westphal, Executive Director and Nancy Thorne, Legislative Director of the Caucus and Geri Palast. (Jane)

RESULTS: Meeting scheduled for Thursday, April 28 - Geri Palast to attend (Doug R. not available)

Assignments: As a result of the staff level meeting, we need to provide Carol B. with the following information:

- o How do states fair (REA vs. EDWAA) (Pat/Teri)
  - o Info on one stop \$ for 1994. Is this public info (Darla)
  - o Possible letter from Caucus (Dear Colleague) (Jane)
  - o How are we dealing with states that already have one stop program, but isn't exactly like ours. (Teri/Pat) Also, we should develop a fact sheet on this issue.
  - o How do we deal with rural areas (Teri/Pat)
- o The Sunbelt Caucus produces a newsletter which is distributed to their members. They would like to place an article about the meeting with RBR and the REA. Requested a central contact person and a list of available materials to help educate members. (Jane)

RESULTS: Newsletter - gave them the contact name of Tanya Harvey. They will state "there is a video available on REA, a weekly America's Job Fax, as well as a packet of materials on REA. The Caucus will FAX Jane a copy of the final version of the newsletter article.

## California Democratic Delegation

Meeting: RBR met with CA delegation on April 20

### Assignments:

- o Follow up with champions on phone calls (Geri to talk to Woolsey)

RESULT: Geri talked to Lynn Woolsey and she phoned in the names of the co-sponsors to the labor committee

- o Follow up phone calls to members on co-sponsorship (John/Tanya)

Dan Hamberg, Ron Dellums, Anna Eshoo, Norman Mineta, Don Edwards, Sam Farr, Calvin Dooley, Howard Berman, Lucille Roybal-Allard

RESULTS: Picked up six new co-sponsors: Dellums, Mineta, Hamberg, Eshoo, Edwards, and Berman

- o Tanya should continue to follow-up with Dooley, Farr, and Roybal-Allard

RESULTS: Spoke with Dooley's staff on 4/20. Concern that One-stops will not adequately serve rural areas. Response in the process.

Call to Farr's staff 4/22.

Call to Roybal-Allard's staff 4/22.

RESULTS: Sam Farr agreed to co-sponsor 4/28

- o Anna Eshoo wants list of participants from the Party Effectiveness Group. Mention of packets being sent to labor councils in her district (Jane)

RESULTS: Jane forwarded info to Anna's office on 4/20; advised her staff to call regarding to discuss the packet request

ASSIGNMENTS: Anna has now requested 15 packets and video tapes to be sent to Jill in her office. (Jane/Skunkworks)

RESULTS: In Process

- o RBR had a conversation with Ron Dellums after the meeting. He would like to send a copy of the Rob Portman paper and the dialogue to Ron Dellums. He also wants to arrange a meeting between Dellums, Secretary Ron Brown, SBA Administrator Erskine Bowles and himself to discuss the papers further. (Jane/Tanya)

RESULTS: Letter sent to Dellums on April 20, forwarding information. Copy to Scheduling for purposes of arranging a meeting.

- o Lucille Roybal-Allard - wants a separate meeting with RBR, wants more packets (Jane)

RESULTS: In process

- o Work with Pam Barry, Staff Director for delegation on co-sponsor letter (Tanya)

RESULTS: Delegation co-sponsor letter circulating (Miller; Matusi; Eshoo; Woosley signed on (copy attached). Working with AFL-CIO to clear up Edwards concerns. McGlotten called Edwards. Edwards went on as co-sponsor.

#### Gephardt Leadership Group

Meeting: RBR met with Gephardt Leadership Group on April 20

#### ASSIGNMENTS:

- o Discussion with Labor/B. Ford/D. Rostenkowski re doability of schedule

RESULTS: GP to McGlotten to 1) Ford to 2) Gephardt (DONE)  
KH to Donahue to Ford (DONE)  
GP to Taylor to Rissler (DONE)  
GP to Rissler (DONE)

#### Bob Michel

Meeting: RBR met with Bob Michel on April 20

Assignments: Follow up with Bob Michel's office on the possibility of meeting with the Republican Policy Committee

RESULTS: Mary Ann contacted Michel's staff. Michel will be meeting with the leadership to discuss the idea of RBR having a meeting with the Republican Policy Committee, as well as the Republican Study Group

### Newt Gingrich

Meeting: RBR met with Newt Gingrich on April 20

Assignments: Would like information on profiling and sites. (Mary Ann). Invited RBR to a lecture series.

RESULTS: MAR sending info and following up on invite

### Patrick Moynihan

Meeting: RBR met with Senator Moynihan on April 22, 1994

Assignments: The big news is that Senator Moynihan agreed to have a hearing on REA in May (May 11, 18 or 25 are options). Mary Ann Richardson will contact Moynihan's committee to finalize date. Jane will work with Scheduling.

RESULTS: In process

### DeLauro's "Kitchen Cabinet" Group

Meeting: RBR met with group on March 17, 1994

Assignments: Rosa has agreed to be a "Champion" on the bill, Geri should keep in contact with her on updates.

RESULTS: Rosa sent the first in a series of Dear Colleague letters; working with us on "one minutes"; working with us on co sponsors. Staff level meeting scheduled for April 22.

RESULTS: DeLauro group staff meeting produced the following:

- o DeLauro staff will call members of the Kitchen Cabinet who are not co-sponsors (Tanya)
- o Get a list of recipients of "America's Job Fax" and forward it to DeLauro Group (Jane)
- o DeLauro group requested staff who could be used as surrogates for specific issues (business expert, education expert, labor expert) who might be available to meet with members or hill staff on specific concerns (Nancy)
- o DeLauro staff will contact co-sponsors to get them to sign onto a "Dear Colleague" (Tanya)

Result: As of 4/28 the following have signed onto the "Dear Colleague" letter: Gephardt, Hinchey, Lowey, Fazio, Hoyer, Eshoo, Berman, Wise, Miller, Kennelly, Richardson and Pelosi. Waiting to hear confirmation from Bonior's office.

- o Produce a "canned" article that could be provided to members by the DeLauro group for use in their newsletters and home town papers (Kate)
- o Produce a one page fact sheet on "Consolidation" (Kate)
- o DeLauro group will produce a calendar of events reflecting their activity with members in moving the bill (Jane to follow up)
- o We will produce a list of members for Memorial Day targets using the participants of the House Party Effectiveness Group; the Sunbelt Caucus; the California Delegation; Media Targets and Inside Beltway strategy (create a matrix) (Jane/Nancy)

Frank McCloskey - Per Kitty at 4/21 Steering Committee - need to make contact with McCloskey staff re cosponsoring. (Tanya)

RESULTS: Call made to Debbie Kendall 4/25; 4/26 McCloskey agreed to co-sponsor.

Alcee Hastings - Picked Hastings up as part of the preliminary work for the Congressional Black Caucus Meeting which was postponed.

RESULTS: Hastings is really close to cosponsoring. (Pat Fahey)

#### Goodling/Gunderson

Meeting: RBR met with Goodling and Gunderson on 4/26/94

Assignments: This was a very positive meeting. They have two major concerns: what they perceive as the creation of a new entitlement and insufficient consolidation of training programs. Need to give them a response. RBR requested a second meeting with them next Tuesday to follow-up with their concerns. Gunderson suggested a meeting with the "Tuesday Republican Lunch Bunch", as well.

RESULTS: Prepare a response to their concerns (Sally Sacher/Pat Fahey). Work with Scheduling with regard to the two meetings Tuesday. (Jane)

ETA should call biz groups and get them to send a letter of support for REA to Goodling and Gunderson (Doug/Bill)

RESULTS: In process

B. Ford/P. Williams

Meeting: RBR met with B. Ford/P. Williams on 4/28

Assignments: Staff continue working with committee; no new assignments.

RESULTS: We have a hearing date of May 25

New York Delegation

Meeting: RBR met with the New York Delegation on 4/28

Assignments: This was a good meeting (21 members attended). Rangel was very supportive and Nita Lowey was our champion. Follow-up on a dear colleague letter; follow up on cosponsors. (Jane)

RESULTS: In Process

# **BUSINESS SUPPORTS THE REEMPLOYMENT ACT**

## **Partial Listing**

The following business groups and individual businesses have indicated their general support for the President's proposed Reemployment Act of 1994.

### **Business groups**

The Business Roundtable  
National Alliance of Business  
National Association of Private Industry Councils  
National Small Business United  
The New England Council

### **Individual businesses**

Allied Signal  
Anderson Consulting  
Ceridian Corporation  
Circuit City Stores  
General Electric  
Harman International Industries, Inc.  
IBM Corporation  
Inacom Information Systems  
MCI Communications Corporation  
K-Tron International, Inc.  
Powersoft Corporation  
Siemens  
Unum Corporation  
Xerox Corporation

April 22, 1994

4/27/94

REEMPLOYMENT ACT OF 1994 (REA)  
PRELIMINARY LIST OF AVAILABLE MATERIALS

NAME: \_\_\_\_\_

CONGRESSIONAL OFFICE: \_\_\_\_\_  
(Member and Room)

Description of Material # of Copies

Fact Sheets

|                                                                          |       |
|--------------------------------------------------------------------------|-------|
| The REA - Title by Title Summary                                         | _____ |
| How the REA Works for Dislocated Workers                                 | _____ |
| How the REA Works for the Disadvantaged                                  | _____ |
| How the REA Works for Older Workers                                      | _____ |
| How the REA Works for Displaced Homemakers                               | _____ |
| How the REA Works for Community Colleges                                 | _____ |
| How the REA Works for America's Cities/Localities                        | _____ |
| How the REA Works for Educational Institutions                           | _____ |
| How the REA Works for American Business                                  | _____ |
| Good Labor Market Information-Key to<br>the President's Reemployment Act | _____ |
| The President's Reemployment Proposal                                    | _____ |
| Benefits for Female/Minority Dislocated Workers                          | _____ |
| "What is Working" Site Visits                                            | _____ |
| Hispanic Representation in the UI System                                 | _____ |
| Trade Adjustment Assistance Under the REA                                | _____ |

Quotes/News Articles

|                                                                                            |       |
|--------------------------------------------------------------------------------------------|-------|
| Statements of Support                                                                      | _____ |
| Business Supports the REA                                                                  | _____ |
| Recent Indications of Job Anxiety and Job Loss                                             | _____ |
| Business Roundtable: Workforce Training<br>and Development for U.S. Competitiveness        | _____ |
| A Reemployment Program (Washington Post 12/29/93)                                          | _____ |
| President's Remarks to the American Society<br>of Newspaper Editors                        | _____ |
| U.S. News & World Report "Paddling Against the<br>Jobless Tide" (12/29/93)                 | _____ |
| From Coast to Coast, From Affluent to Poor,<br>Polls Show Anxiety Over Jobs (NYT, 3/11/94) | _____ |
| The Brave, New, Scary World of Job Skills You<br>Don't Have (Washington Post, 12/10/93)    | _____ |

America's Job FAX

|                                                                      |       |
|----------------------------------------------------------------------|-------|
| America's Job Fax: Featuring Summary of<br>the Initiative (1/27/94)  | _____ |
| America's Job Fax: Featuring What's Working<br>Conference (2/4/94)   | _____ |
| America's Job Fax: Featuring President's<br>Budget Message (2/16/94) | _____ |

### America's Job FAX (con't)

America's Job Fax: Featuring Times Mirror Poll  
(4/6/94)

America's Job Fax: Featuring Corporate  
Downsizing (4/14/94)

America's Job Fax: Featuring Business Support  
(4/19/94)

America's Job Fax: Featuring Accountability (4/26/94)

### Other

List of Co-Sponsors (updated daily)

Brochure: America's Job Bank (plus Fact Sheet)

Pamphlet: Reemployment Services: A Review of  
Their Effectiveness

Pamphlet: The Changing Labor Market and the  
Need for a Reemployment Response

List of Business Supporters (4/22/94)

Talking Points: The Proposed REA of 1994 (Generic)

List of Anitated Bills (H.R.4040; H.R.4050;  
S.1951; S.1964)

Building a Reemployment System; What is Working  
in America (Examples of Sites)

### Charts/Graphs

African Americans in the Workforce

Hispanics in the Workforce

Increase in Private Nonfarm Payroll Jobs

Where the New Jobs Are

Unemployed Not Expecting to Get Jobs Back

The REA is Expected to Serve over 6 Million  
Participants by Fiscal Year 2000

Earnings Gap Widening: Annual Mean Income  
Years in School

Long Term Unemployment is Increasing: Persons  
Unemployed 6 Months or More as a Percent  
of Total Employment

The REA -- Funding

REA Act Beneficiaries

### Video

"One Stop Shop" The Reemployment Act of 1994  
(along with one-page summary)

### Technical Resources

Allocations of Dislocated Worker Funding Under  
the REA (Detailed Discussion)

The REA Compared to GAO Recommendations

Side by Side: Comparison of Existing Dislocated  
Worker Programs With the REA

Technical Resources (con't)

Side by Side: Comparison of Dislocated Worker  
Provisions in Clean Air Program and the REA

Side by Side: Comparison of Defense Related  
Dislocated Worker Programs with the REA

REA Section by Section Analysis

Comparison Chart Current System and President's  
Proposed Reemployment Act

For more information contact Jane Hall, Office of Congressional  
Affairs 202/219-4692 or fax completed form to 202/219-5288

## AMERICA'S JOB FAX

**"The only way** to get a real job with a growing income is to have real skills and the ability to learn new ones. We must streamline today's patchwork of training programs and make them a source of new skills for people who lose their jobs. Re-employment, not unemployment, will be the centerpiece of our economic renewal."

-- President Clinton in Tuesday's State of the Union address

**This is the first** in a series of regular **Job Faxes from Secretary Reich** -- to keep you informed about developments concerning the President's workforce initiative.

**The President's workforce initiative** is designed to **connect all Americans who want first jobs, new jobs, and better jobs** to state-of-the-art employment services and labor market information. The key features of the proposal are:

- ✓ **One-stop delivery** -- quality basic services are provided by a single streamlined system, easily accessible to all;
- ✓ **Re-employment services** -- a full range of services -- including early testing, assessment, counseling, and career planning, along with information on training, education, and where new jobs can be found -- available to everyone;
- ✓ **Better information** -- a nationwide information network, to help workers make better informed career and job choices and assist in their selection of proper training;
- ✓ **World class training** -- all dislocated workers will be eligible for effective long-term training, regardless of the reason for their dislocation;
- ✓ **Customer focus** -- delivery of programs and services is designed to provide the widest range of options possible; customer satisfaction is a prime measure of success.

**Chairman Bill Ford** has announced his intention to be the original House sponsor. Extensive consultations have begun and are ongoing on the Hill and with relevant interest groups, business and labor organizations, and representatives of State and local governments.

**Public opinion polls show . . .** "if Congress and the President could do only one thing next year," number-one choice is "job training for the unemployed" (*LA Times*) . . . Majority favor Federal government providing "more training for American workers to give them competitive job skills" (*Business Week*).

**Upcoming events . . .** "**Building a National Re-employment System: What Is Working**" Conference -- showcasing over twenty projects from across America that demonstrate principles of successful re-employment programs -- February 2 . . . **This week Secretary Reich** addresses Center for National Policy, talks about **what works** with Democratic Caucus, U.S. Conference of Mayors, National Governors Association . . .

1/27/99

# AMERICA'S JOB FAX

**"What we are trying to do** in our Administration with the leadership of the Secretary of Labor and the Secretary of Education and many others is to establish a **system of lifelong learning**, to recognize that people are going to change work seven or eight times in a lifetime . . . And we are going to propose transforming the whole unemployment system . . . to make it a **continuous re-employment system**."

-- President Clinton at Wednesday's conference on "What is Working"

## **"Building a Re-employment System: What Is Working Across America"**

-- a day-long conference sponsored by the Department of Labor in Washington -- featured a diverse mix of "customers" and directors of job training programs. The conference highlighted the challenges unemployed and dislocated workers face navigating the current patchwork of employment and training programs. It also identified the critical common elements of those programs that work.

**P**resident Clinton facilitated the third and final panel of the day, "Voices for Change"-- which spotlighted real "success story" participants and their programs. One common thread was how hard it had been to get good information on available services -- and, as one participant noted, when you're unemployed and discouraged, "the last thing you need is to go from pillar to post." The President agreed, emphasizing the need to "consolidate the programs in law -- and let them diversify, in fact" -- pointing out that, instead, "we have diversified the programs in law so that they can't have any impact out there in the country."

**T**he President announced his intention to have the proposed **Re-employment Act of 1994**, the Administration's workforce security initiative, introduced by the end of the month, stating: "In a time in which we have to cut domestic spending, we have to find more money to spend on this."

**S**enator Kennedy's keynote address to the conference also emphasized the need for "a unitary program that addresses the needs of all dislocated workers, regardless of the reason for the dislocation." "As President Clinton and Secretary Reich have said, we need to move from an *unemployment* system -- whose primary purpose is to provide income support for workers temporarily out of a job -- to a *re-employment* system which identifies those workers who aren't going to get their old jobs back and gives them the training and support they need to find new and better jobs."

**R**ecent & upcoming events. . . Secretary Reich addressed the National Association of Manufacturers Board of Directors Thursday. . . and spoke with the National Association of Independent Colleges and Universities . . . Next week the Secretary meets with the presidents of community colleges . . . and attends **Senator Metzenbaum's** conference on the contingent workforce . . .

## AMERICA'S JOB FAX

**"First and foremost**, the goal of our economic strategy is to provide more and better paying jobs for our people -- both today and in the future -- and to educate and train them so that they are prepared to do those jobs."

-- The Budget Message of President Clinton, February 7, 1994

**The FY 1995 Budget** which President Clinton submitted to the Congress last Monday calls for an increased investment of \$3.3 billion in education and training -- an overall increase of 24 percent over last year. That means an increased investment in the American workforce -- from \$5.5 billion to \$6.5 billion -- and an increase of 21 percent for education.

**The Senate's passage** last week of the School-to-Work Opportunities Act and the Goals 2000: Educate America Act brings America's young people a giant step closer to economic security. Both pieces of legislation will go back through conference for resolution of relatively minor differences.

**Consultations** on the proposed Reemployment Act of 1994 will soon wind down, with introduction expected in early March.

**Recent & upcoming events . . .** This week, Secretary Reich visits the Chicago Manufacturing Institute -- which teaches hi-tech plastic injection molding and automatic coil operation and places 80 percent of its participants -- and does not even begin a training program unless 10-20 businesses have signed up to hire trainees. He then heads to California, where he'll visit Touche Manufacturing in San Jose, which builds computer shells for high-tech companies and hires as many workers as it can get from the Center for Employment Training -- also in San Jose -- which provides an intensive training course that integrates basic education and hands-on skills training. In San Francisco, Secretary Reich will address the Education Summit sponsored by California State Assembly Speaker Willie Brown. Next week, the Secretary is scheduled to testify on FY 1995 budget to House and Senate . . . visits Bal Harbour for annual meeting of AFL-CIO . . .

## AMERICA'S JOB FAX

"The Reemployment Act of 1994 will create a new comprehensive reemployment system that will enhance service, improve access, and assist Americans in finding good new jobs."

-- President Clinton, Transmittal Message, March 14, 1994

**A** poll released by the **Times Mirror** on April 6 reveals the public's deep concern about job insecurity and unemployment. Improving the jobs situation was the number one response (26%) to the question, "Which problem should President Clinton give the highest priority to?" -- ahead of crime (23%) and the budget deficit (20%).

**Jobs and unemployment** was the only issue that registered in the poll as a problem on national, community, and personal levels for those surveyed. As many as four in ten Americans at each income level worried that they might lose a job or have to take a pay cut -- with seven in ten or more concerned about their children's job opportunities.

**More job training** was the most popular solution to the jobs problem (61% of those polled), along with education (51%). Training and jobs programs were also seen as key to solving other important problems, such as crime.

**Other polls echo the Times Mirror results** . . . according to a recent poll published in the *New York Times*, 45% of all currently employed workers in the Northeast (39% overall) "worry" that during the next two years they might be laid off, have to work reduced hours, or be forced to take a pay cut.

**Also in the news** . . . the auto industry is hiring -- and they're looking for highly-skilled entry-level workers, according to a recent *Wall Street Journal* article. About a third of recent production-line hires at Ford, for example, have some education beyond high school. Elsewhere in Detroit -- a city plagued by staggering levels of long-term joblessness -- nearly a thousand precision-machining graduates of the Machinist Training Institute (MTI) have found jobs with area businesses.

**Upcoming events** . . . Secretary Reich delivers the keynote address to the American Association of Community Colleges convention. Hearings on the President's Reemployment legislation continue after the congressional recess . . .

## AMERICA'S JOB FAX

**"President Clinton** recently proposed a revamping of the [unemployment and job training] process, one that would focus on getting people out of declining fields and into industries that do have a future. The U.S. economy is still strong, but it is changing its shape, and workers will have to change, too. Many can't do that without help . . . America's long-term economic success depends on keeping people on the job, not on the dole. And if the jobs aren't going to be at Lockheed or Northrop, or Boeing, or wherever, then we've got to find a way to get good, skilled employees from those firms into the industries where there is work to be done."

Editorial, *The Atlanta Journal* (March 31, 1994)

**Job cutbacks** increased 29% from February to March, according to the Challenger Employment Report -- pushing the total jobs lost in the first quarter to 192,572. This is 11% more than last year's first quarter total (170,615). One explanation is the increase in mergers, resulting in lost jobs. The aerospace, computer, and communications industries accounted for 48% of the cutbacks announced in March (the same industries accounted for 40% of cutbacks a year ago).

**U.S. companies** that since January 1993 have announced plans to eliminate 10,000 or more jobs include: General Motors (69,5000), Sears, Roebuck (50,000), I.B.M. (38,500), A.T.&T. (33,525), Boeing (31,000), GTE (27,975), Nynex (22,000), Phillip Morris (14,000), Procter & Gamble (13,000), Woolworth (13,000), Martin Marietta (12,060), Eastman Kodak (12,000), Xerox (11,200), McDonnell Douglas (10, 966), Raytheon (10,624), and Pacific Telesis (10,000), according to the *New York Times* (March 22, 1994).

**What's behind all this** is a change in the global economy. Faster technological evolution coupled with shorter product cycles. Goods and services are either specialized and knowledge-intensive, or become commodities. The bottom line: a shift in labor demand *against* less educated workers and those doing routine tasks and *toward* workers with problem-solving skills.

**The President's Reemployment Act** of 1994 (REA) will turn our *unemployment* system into a *reemployment* system. The REA will supply workers and businesses with up-to-date data about where the jobs are and what skills they require. It will provide workers information on where to find the education they need to find the right job, and will also help businesses to identify workers with the skills that fit their needs.

**Our ability to compete** and win depends on our ability to work together -- business and government -- to invest in people. The Reemployment Act is a cornerstone of that partnership.

**Recent and upcoming events** . . . This week, Secretary Reich speaks to the Urban Institute and to the National Center on Education and the Economy . . . Monday, he participates in an "electronic town meeting" with the nation's community colleges.

## AMERICA'S JOB FAX

**"This year we're going to try to change the unemployment system into a reemployment system . . . It will cut the period of unemployment; it will increase the national income; and it will certainly honor the values of the American middle class."**

-- President Clinton, American Society of Newspaper Editors, April 13, 1994

**G**etting America Back to Work -- a Satellite Town Meeting on Reemployment -- was broadcast live last night to more than 15,000 viewers nationwide.

**M**oderated by Secretary Reich, the panel discussion featured William H. Kolberg, President and CEO of the National Alliance of Business, David Pierce, president of the American Association of Community Colleges, and Bert C. Roberts, Jr., chairman and CEO of MCI Communications Corp.

**B**usiness leaders, elected officials, educators, and labor representatives from over 400 communities participated in the interactive segment of the discussion, which highlighted the changing nature and focus of America's employment and training system.

**T**he formation of the Council for Reemployment -- a coalition of businesses pushing for passage of the Reemployment Act -- was announced during the broadcast by Kolberg. Business members will include: MCI, IBM, Xerox, General Electric, Allied Signal, Siemens Corp, Motorola, Harman International, AT&T, K-Tron International, Ceridian Corp, Circuit City Stores, and Anderson Consulting.

» «

**T**he Business Roundtable, National Alliance of Business, National Association of Private Industry Councils, National Small Business United, and The New England Council are among the business groups supporting the general principles of the Reemployment Act of 1994.

**N**ational Small Business United "is particularly excited about the prospect of a strong worker retraining system, since worker training is a major problem for small businesses," states NSBU President Ron Cohen. "A more highly skilled workforce will greatly help the small business community to continue leading our nation's economic growth."

» «

**T**his week, Secretary Reich meets with the Congressional Sunbelt Caucus and the Congressional Black Caucus; speaks to members of the Building and Construction Trades . . .

# AMERICA'S JOB FAX

**The Reemployment Act of 1994 "will demand accountability.** We cannot afford to waste the taxpayers' time or money or the workers' time and the benefits that run by all too quickly, on . . . government programs long on red tape and short on results. We have to empower laid-off workers to choose their training from among private and public providers who will compete for their business and require that providers offer them consumer reports so that they'll be able to make informed choices -- how many people got what kind of jobs at what kind of pay? That, after all, is the ultimate test."

-- President Clinton, announcing the Reemployment Act, March 9, 1994

**Seventy percent of the American public favors evaluating government agencies by the results they produce -- not the programs they initiate or the money they spend, according to a recent survey by the Americans Talk Issues Foundation (*Washington Post*, April 20, 1994).**

**The Reemployment Act (REA) builds in accountability the American people want -- by measuring program results -- not their process. With the REA:**

- Customers get "consumer reports," with information on graduation and placement rates and hourly wages, so job seekers can make well-informed education and training choices.
- Training programs are market-driven -- so training dollars prepare people for real jobs.
- All six programs for dislocated workers are consolidated into a single program, with a single eligibility standard -- with further streamlining and consolidating where possible, so workers don't have to spend any extra time or effort navigating bureaucratic mazes.
- Programs focus on the customer -- with customized service, quality information, meaningful customer choice.
- A governance structure makes career centers and one-stop centers accountable to workers, employers, and the local community for quality service and outcomes.

**This is Jobs Week on NBC -- all news shows will include employment-related segments. Employers are urged to send jobs information to America's Job Bank, which is a computerized national employment referral system that matches jobseekers with employers looking to fill job vacancies.**

4/26/94

**THE REEMPLOYMENT ACT OF 1994**  
**SENATE COSPONSOR LIST**  
**FOR S.1951 AND S.1964**

(Currently 20 members)

|                            |            |
|----------------------------|------------|
| Barbara Boxer D-CA         | Both bills |
| *Bill Bradley D-NJ         | S. 1951    |
| John B. Breaux D-LA        | S. 1951    |
| Thomas A. Daschle D-SD     | Both bills |
| Christopher J. Dodd D-CT   | S. 1964    |
| Wendell H. Ford D-KY       | Both bills |
| Daniel Inouye D-HI         | Both bills |
| *Edward M. Kennedy D-MA    | S. 1964    |
| *Howard M. Metzenbaum D-OH | S. 1964    |
| *George J. Mitchell D-ME   | Both bills |
| Barbara Mikulski D-MD      | S. 1964    |
| *Patrick Moynihan D-NY     | S. 1951    |
| Carol Moseley-Braun D-IL   | Both bills |
| Patty Murray D-WA          | Both bills |
| Claiborne Pell D-RI        | Labor bill |
| David H. Pryor D-AR        | S. 1951    |
| Donald W. Riegle, Jr. D-MI | S. 1951    |
| *John D. Rockefeller D-WV  | S. 1951    |
| Paul Simon D-IL            | Labor bill |
| Harris Wofford D-PA        | Labor bill |

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\* Lead sponsors

4/26/94

**THE REEMPLOYMENT ACT OF 1994**  
**HOUSE COSPONSOR LIST**  
**FOR H.R.4040 AND H.R.4050**

**(Currently 53 members)**

|                           |                         |
|---------------------------|-------------------------|
| Jim Bacchus D-FL          | Timothy J. Penny D-MN   |
| Howard Berman D-CA        | Bill Richardson D-NM    |
| John Bryant D-TX          | *Dan Rostenkowski D-IL  |
| Bob Carr D-MI             | Martin Olav Sabo D-MN   |
| William L. Clay D-MO      | Thomas C. Sawyer D-OH   |
| Peter A. DeFazio D-OR     | Patricia Schroeder D-CO |
| Rosa L. DeLauro D-CT      | Robert C. Scott D-VA    |
| Ronald Dellums D-CA       | Jose E. Serrano D-NY    |
| Don Edwards D-CA          | Alan Wheat D-MO         |
| Anna Eshoo D-CA           | *Pat Williams D-MT      |
| Vic Fazio D-CA            | Lynn Woolsey D-CA       |
| Barney Frank D-MA         |                         |
| Harold E. Ford D-TN       |                         |
| *William D. Ford D-MI     |                         |
| Sam Gejdenson D-CT        |                         |
| *Richard A. Gephardt D-MO |                         |
| Sam M. Gibbons D-FL       |                         |
| Gene Green D-TX           |                         |
| Dan Hamberg D-CA          |                         |
| Maurice D. Hinchey D-NY   |                         |
| Peter Hoagland D-NE       |                         |
| George Hochbrueckner D-NY |                         |
| Steny H. Hoyer D-MD       |                         |
| Harry Johnston D-FL       |                         |
| Barbara B. Kennelly D-CT  |                         |
| Dale E. Kildee D-MI       |                         |
| Ron Klink D-PA            |                         |
| Michael J. Kopetski D-OR  |                         |
| John Lewis D-GA           |                         |
| Sander M. Levin D-MI      |                         |
| Nita M. Lowey D-NY        |                         |
| Matthew G. Martinez D-CA  |                         |
| Robert T. Matsui D-CA     |                         |
| Dave McCurdy D-OK         |                         |
| Jim McDermott D-WA        |                         |
| Frank McCloskey D-IN      |                         |
| Norman Mineta D-CA        |                         |
| George Miller D-CA        |                         |
| Austin Murphy D-PA        |                         |
| John Murtha D-PA          |                         |
| John Olver D-MA           |                         |
| Nancy Pelosi D-CA         |                         |

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\*Lead sponsors

U.S. Department of Labor Video  
"One Stop Shop": The Reemployment Act of 1994  
Length: 7:05

This short video outlines the need for a structural change in the traditional approaches to unemployment.

Gone are the days when American workers needed unemployment insurance "just to tide them over" until they returned to their old jobs. In today's changing labor market, many workers are finding their jobs are simply disappearing – due to international trade, corporate downsizing, or technological changes.

The President's Reemployment Act of 1994 will change our current unemployment system into a "reemployment system." Designed to help workers get their next job when faced with long-term unemployment, the Reemployment Act is based on several current examples of what works across America.

The seven minute video is narrated by Labor Secretary Robert Reich, includes excerpts from President Clinton's State of the Union address, and features several workers and business people who have experienced firsthand how programs that work can make a difference.



NGA FAX TRANSMISSION FORM

DATE: 3/17/94

TO:

Bill Galston

FAX NUMBER:

456 - 2878

Attn: Jeff Tibbets

FROM: JULIE STRAWN

202-624-7823 (Commercial)

202-624-5313 (fax)

NUMBER OF PAGES:

5

(including this page)

REMARKS:

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PLEASE CALL JACKIE HALL AT 202-624-5341 WITH ANY PROBLEMS.

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GOVERNORS'  
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Raymond C. Scheppach  
Executive Director

Howard Doan  
Governor of Vermont  
Vice Chairman

Hall of the States  
444 North Capitol Street  
Washington, D.C. 20001-1512  
Telephone (202) 624-5300



March 17, 1994

**Memorandum**

**To:** Bill Galston, Domestic Policy Council  
**From:** Julie Strawn, Human Resources Group  
**Re:** NGA Reaction to the Reemployment Act and the President's Response  
to NGA Letter on Integrating Job Training Initiatives

Thank you for returning my telephone call last week. Rather than take up your time trading calls, I thought it might be easier to put down on paper the issues I wanted to raise with you, and then see if we can schedule a time sometime soon to talk further.

First, as you know, the Governors sent a letter to the President in January asking for some mechanism to address their concern that different departments were proceeding on separate tracks with initiatives involving the major job training programs. We received a response from the President in February stating that an interagency group was being formed to coordinate federal workforce development policy. Carol Rasco and NGA's executive director, Ray Scheppach recently discussed the President's response to the NGA letter and Carol has invited us to come over and be briefed on the new interagency group by her and Robert Rubin.

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Second, now that the Reemployment Act has been introduced, I wanted to make sure you aware of the Governors' concerns on this legislation so that you will not be taken by surprise by the amendments that we will be seeking as the bill moves forward. We want to be supportive of its overall goals, and issued a largely positive statement last week (see attached), but we will have to make our concerns and proposed changes explicit as Congress takes up this legislation.

By way of a little background on this, we have worked closely with the Department of Labor over the last seven months to raise and resolve as many of the Governors' issues as possible. In addition to many meetings between Governors' staff and DOL staff to discuss these issues, we sent a detailed list of our concerns to DOL staff last fall, and wrote Secretary Reich a letter in October that made it clear we would not be able to support the legislation if it was introduced as originally proposed. (You may recall that you and I discussed these issues when and I and other NGA staff met with you near the end of December; you had with you at that meeting copies of both our memo to DOL and our letter to the Secretary.)

When we finally saw the first draft of the legislation in early February, however, it became clear that many of the Governors' key concerns had not been addressed. At a meeting with DOL on the new draft several weeks ago, I and Governors' staff from about 15 states spent nearly three hours with Asst. Sec. Doug Ross reiterating many of the same issues we had raised last September. While some progress was made in the 2/28 draft, fundamental differences between the Governors and DOL on the proposed dislocated worker and one-stop programs remain.

Because so few states support DOL's model for a One-Stop Center system, for example, the change we pushed hardest for in the last draft is the ability to request waivers separate from grants so that states can bypass the new grants, with their accompanying requirements, and simply get more flexibility to pursue their own strategies on this problem. The 2/28 draft does give us that flexibility; however, states find it discouraging to put their energies into finding ways to escape implementing the Department's strategy in this area, rather than having a national strategy that states could enthusiastically support.

I will send copies to you of the detailed list of NGA concerns and proposed changes that we will be sharing with Congress. In brief, Governors believe that the legislation does both too much and too little: it is overly prescriptive with regard to the governance and operation of programs, while doing little to eliminate existing barriers to integrating job training programs. These barriers include conflicting eligibility definitions, reporting requirements, performance standards, program terms, and cost categories, and the lack of a mechanism to track client outcomes across programs.

The legislation is also too narrowly focused on dislocated workers. In the One-Stop section, for example, states would be required to give a better class of services to dislocated workers than to other, more disadvantaged populations unless they can manage to come up with the resources to provide intensive services to everybody at every center -- which states think is unlikely. The bill's waiver authority is limited entirely to DOL programs and does not even include the large job training programs administered by the Department of Education, despite the fact the bill will be considered by the same committees that have jurisdiction over those ED-run programs.

Our goal is to work with you as much as possible to transform the legislation into something we could support. Secretary Reich indicated at a hearing on March 10th that he plans to address the concerns that the bill does too little to consolidate or streamline existing programs (especially those outside DOL) by introducing additional legislation later in the year. We're encouraged that the Secretary seems to be listening to what we and other groups are saying, but think it's unlikely that Congress will move more than one bill on this topic this year. We feel that we have no choice but to work for significant changes to the Reemployment Act instead. I will try to stay in touch with you on this bill as it moves forward so that whenever possible we can work for changes that can win your support and strengthen the legislation.

Thank you for your attention to these issues. I look forward to hearing from you.

**NATIONAL  
GOVERNORS'  
ASSOCIATION**

Hall of the States  
444 North Capital Street  
Washington, D.C. 20001-1572  
Telephone (202) 624-5300



**FOR IMMEDIATE RELEASE**

**MARCH 9, 1994 (37-94)**

**Contact: Rae Young Bond, 202,624-5898**

**GOVERNORS CALL ON CONGRESS TO ENACT COMPREHENSIVE  
REFORM OF FEDERAL WORKFORCE DEVELOPMENT PROGRAMS**

**WASHINGTON, D.C.** - The nation's Governors today praised the Clinton Administration's new Reemployment Act as an important first step toward addressing the problem of multiple, fragmented federal employment and training programs, and pledged to work with the President and with Congress for enactment of comprehensive reform of federal workforce development policy.

The National Governors' Association said that while Governors support the overall goals of the Reemployment Act, they hope to broaden the scope of the legislation to include programs outside of the Department of Labor, and to allow more flexibility for states and localities to design workforce development systems that build on current state and local efforts to meet the unique needs of each of their communities.

The Governors outlined three goals that should guide any efforts to streamline federal employment and training policy:

- **Integrated Development of New Job Training Reforms.** Governors are concerned that just as job training responsibility is scattered across numerous federal agencies, reforms in these programs also may proceed in a piecemeal way. This will add to the existing problems of client access, different eligibility and reporting requirements, and fragmented lines of authority for operating programs. Unless a serious effort is made to integrate these reforms as legislative initiatives are developed, Governors fear that an important opportunity will be lost to consolidate and improve these programs in ways that benefit both taxpayers and the customers of job training services.

For example, since the same disadvantaged adults are served by Aid to Families with Dependent Children (AFDC), employment and training, student aid, and Job Training Partnership Act programs, reform efforts in these three areas should be developed jointly to improve client access to services and reduce conflicting requirements among programs.

- **Increased Flexibility for States and Localities to Coordinate Existing Job Training Programs.** The Governors support additional waiver authority for states and localities to facilitate their efforts to integrate job training programs. Where political obstacles prevent integration of programs at the federal level, better access to

## Page 2

higher quality job training and employment services can best be achieved by giving states the flexibility to integrate similar programs, to determine the appropriate governance structure for state workforce development systems, and to set consolidated outcome-based standards for services.

- **Congressional Action to Streamline Federal Workforce Development Programs.** While new waiver authority is helpful, the Governors believe that the nation will move very slowly toward the goal of integrated workforce development systems if each state must apply separately to each different federal department for permission to waive each rule that blocks integration of programs. Given the intensive use of scarce staff time required to develop and submit waiver requests to all the different agencies that run job training programs, many states may not be able to take full advantage of new waiver authority. The Governors urge Congress to streamline and consolidate existing programs to the greatest extent possible. As an important interim step, Congress should give states and localities the tools to integrate existing programs by reducing the barriers to program integration.

Monday  
March 28



2 PM  
Julie Strawn

March 17, 1994

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The National Governors' Association said that while Governors support the overall goals of the Reemployment Act, they hope to broaden the scope of the legislation to include programs outside of the Department of Labor, and to allow more flexibility for states and localities to design workforce development systems that build on current state and local efforts to meet the unique needs of each of their communities.

The Governors outlined three goals that should guide any efforts to streamline federal employment and training policy:

- **Integrated Development of New Job Training Reforms.** Governors are concerned that just as job training responsibility is scattered across numerous federal agencies, reforms in these programs also may proceed in a piecemeal way. This will add to the existing problems of client access, different eligibility and reporting requirements, and fragmented lines of authority for operating programs. Unless a serious effort is made to integrate these reforms as legislative initiatives are developed, Governors fear that an important opportunity will be lost to consolidate and improve these programs in ways that benefit both taxpayers and the customers of job training services.

For example, since the same disadvantaged adults are served by Aid to Families with Dependent Children (AFDC), employment and training, student aid, and Job Training Partnership Act programs, reform efforts in these three areas should be developed jointly to improve client access to services and reduce conflicting requirements among programs.

- **Increased Flexibility for States and Localities to Coordinate Existing Job Training Programs.** The Governors support additional waiver authority for states and localities to facilitate their efforts to integrate job training programs. Where political obstacles prevent integration of programs at the federal level, better access to

higher quality job training and employment services can best be achieved by giving states the flexibility to integrate similar programs, to determine the appropriate governance structure for state workforce development systems, and to set consolidated outcome-based standards for services.

- **Congressional Action to Streamline Federal Workforce Development Programs.** While new waiver authority is helpful, the Governors believe that the nation will move very slowly toward the goal of integrated workforce development systems if each state must apply separately to each different federal department for permission to waive each rule that blocks integration of programs. Given the intensive use of scarce staff time required to develop and submit waiver requests to all the different agencies that run job training programs, many states may not be able to take full advantage of new waiver authority. The Governors urge Congress to streamline and consolidate existing programs to the greatest extent possible. As an important interim step, Congress should give states and localities the tools to integrate existing programs by reducing the barriers to program integration.

DRAFT February 27, 1994

THE WHITE HOUSE

Office of the Press Secretary

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For Immediate Release

March 8, 1994

**REEMPLOYMENT ACT OF 1994  
RETRAINING INCOME SUPPORT ACT OF 1994**

Fact Sheet

The President announced today that he will transmit to Congress two related pieces of legislation:

- o The Reemployment Act of 1994 to create a comprehensive system of reemployment services, training and income support for permanently laid-off workers, to build the creation of a new, universal network of one-stop career centers to serve as a common point of access to education and training, and employment services, and to develop an effective national labor market information systems.
- o The Retraining Income Support Act of 1994 to establish a retraining income support program for permanently laid-off workers, to provide flexibility to States relating to the unemployment compensation program, and to establish a transitional certification process for trade-impacted workers, and for other purposes.

This legislative package will transform the current unemployment system into a comprehensive, high-quality reemployment system. It is based on what works for getting workers into new and better jobs. Programs that work are customer-driven, offering customized service, quality information, and meaningful customer choice. They feature skill training connected to real job opportunities and offer support services to make long-term training practical for those who need it. They consolidate and streamline the current maze of programs.

The President is transmitting his Reemployment Act and Retraining Income Support Act, challenging the Congress to pass the legislation this calendar year.

Together, these Acts embody six fundamental principles:

- o Universal access
- o Quality reemployment services
- o Quality Labor Market Information
- o Streamlining and Coordination
- o Long-Term Training
- o Accountability

## Reemployment Act of 1994

### Title I: Comprehensive Program for Worker Reemployment

Establishes a comprehensive program for reemployment of dislocated workers -- those who are permanently laid-off or are long-term unemployed, using a single standard of eligibility. It consolidates six current Labor Department dislocated worker programs: Economic Dislocation and Worker Adjustment Assistance Act, Defense Conversion Adjustment, Clean Air Employment Transition Assistance, Defense Diversification, Program, Trade Adjustment Assistance, and NAFTA Bridge Program.

- **Outreach** -- Significant investments in outreach through rapid response (prompt services delivered to large-scale dislocations) and links to worker profiling (early identification of UI claimants likely to exhaust UI benefits before getting new jobs and referring them for services).
- **Individualized Services** -- Services tailored to meet the needs of workers, including the development of individual reemployment plans.
- **Comprehensive Reemployment Services** -- All dislocated workers have access to a broad menu of basic services including career, labor market, and training program information; program eligibility reviews; testing and assessment to help determine general skills, interests, aptitudes; and job search assistance. Dislocated workers unable to get new jobs through basic services will have access to more intensive services, including individualized counseling and career planning, diagnostic testing, and development of customized reemployment plans. Relocation assistance, out-of-area job search, and other supportive services such as dependent care and transportation also will be available to those who need them.
- **Program Integration and Career Centers** -- Career Centers, competitively selected, will provide access to comprehensive services for all dislocated workers. They may be operated by the Employment Service (ES), Job Training Partnership Act (JTPA) administrative entities, Title I substate grantees, community colleges, area vocational schools, community-based organizations, or other non-profit or for-profit organizations.
- **Job Retention** -- Governors may use a portion of State reserve funds for skills upgrading for currently employed workers at serious risk of permanent lay-off.
- **Quality Training** -- Dislocated workers who need new or higher level skills to get good jobs will be able to select education and training providers based on performance information. Education and training funds will be available to each worker for up to 2-years and may be supplemented by other forms of student financial aid.
- **Retraining Income Support** -- Dislocated workers who need long-term training will have access to income support, beyond regular UI benefits.
- **Performance Accountability and Outcomes** -- Performance standards for service areas, career centers, and service providers will improve accountability in all States.
- **National Grant Program** -- The Secretary of Labor will manage a national discretionary grant program to address large scale economic dislocations, provide disaster relief unemployment assistance, conduct evaluations and research, carry out demonstrations, and provide training and technical assistance to organizations involved in the management and delivery of services.
- **Funding Flow** -- The Secretary uses a statutory formula to allocate 70 percent of the appropriated funds to States, and States use a similar formula to allocate at least 70 percent to substate areas.

## Title II: One-Stop Career Center System

Establishes a national program of grants and waivers to allow States to compete to develop and implement Statewide networks of One-Stop Career Centers. These networks would provide a common point of access to employment, education and training information and services for anyone who needs help getting a first job, a new job, or a better one, and to employers.

- **Workforce Investment Boards** -- Local Workforce Investment Boards, selected by local elected officials, will oversee the One-Stop Centers and serve as the "board of directors" for all local workforce programs. (Private Industry Councils under JTPA may become Boards if they meet established composition requirements.)
- **One-Stop Career Centers** -- Centers may be run by a consortium of organizations, to be anchored by the ES, the State UI agency, and agencies administering JTPA Title II, and Title I dislocated worker program. Alternatively, Governors and local elected official(s) can opt for a more competitive approach. Under this option, the ES, but also other organizations, including dislocated worker career center operators, JTPA programs, community colleges, and private for-profits and non-profits can be chartered to run One-Stop Centers. Under either option, One-Stop Centers will be required to meet customer-oriented performance measures and will be evaluated each year.
- **Common Services** -- Centers will provide basic services to anyone who needs help getting a first, new, or better job, and intensive services at minimum to dislocated workers. They will coordinate the delivery of a wide range of job training and employment programs. Specialized employer services such as customized screening and referral of job seekers also may be provided.
- **Participating Federal Employment and Training Programs** -- Programs that must make basic services available through One-Stop Centers are: Title I under the Reemployment Act, Wagner-Peyser, Title II of JTPA, Chapter 41 of title 38, programs authorized under Federal and State UI laws, and the Senior Community Service Employment program under Title V of the Older Americans Act. Other human resource programs such as JOBS, and/or adult or vocational education also may also provide services through Centers.
- **Operating Agreements** -- These agreements among the local Board, the Governor, local elected official(s) participating programs, and Center operators will govern the administration of local One-Stop Career Center systems.
- **Grants** -- States can apply for competitive planning grants to help them design and develop a comprehensive network, or they can apply for implementation grants with the agreement of local elected officials.
- **Waivers** -- States also can request waivers of statutory and regulatory requirements for specific Labor-funded programs.
- **Quality Assurance** -- State-level "customer service compacts" and performance standards for service areas, career centers, and service providers will improve accountability in all States.
- **State Human Resource Investment Councils** -- Establish single Councils to advise Governors on ways to consolidate or coordinate programs and resources and on all aspects of the development and implementation of the One-Stop system.

## Title III: National Labor Market Information System

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

information on available job candidates and on job, occupational, and skill demand trends. The Secretary will develop an national strategy to establish the national LMI system which will be developed in cooperation with other public and private partners.

## **Retraining Income Support Act of 1994**

### Title I: Retraining Income Support

Establishes a program of retraining income support for permanently laid-off workers in long-term training. Beginning July 1, 1995, eligible workers who have exhausted UI benefits, who have a minimum level of tenure with their previous employer, and who are enrolled in long-term retraining will receive extended income support.

- o **Retraining Income Support Account** -- Establishes an account in the Unemployment Trust Fund and sets caps for funding and costs for each fiscal year from FY 1996 through FY 2000.
- o **Financing** -- Uses proceeds of the permanent extension of the current 0.2 percent Federal surtax collected under the Federal Unemployment Tax Act and sets the funding cap and costs at a level not to exceed the funds generated through this permanent extension for FY 2001 and future years.

### Title II: Unemployment Compensation Flexibility

Amends the Federal Unemployment Tax Act to give more flexibility to the UI system by permitting States to amend their laws to (a) pay unemployment compensation under a short-time compensation program to an individual who is working reduced hours for an employer in lieu of lay-off, and (b) pay out reemployment bonuses to certain individuals as an incentive to rapid reemployment.

### Title III: Integration of Trade-Impacted Workers

Amends the Trade Adjustment Assistance (TAA) program to ensure that any worker certified as eligible under TAA before July 1, 1995 will continue to receive the remaining TAA services and benefits to which they are entitled. From July 1, 1995 through September 30, 1999, workers and their representatives will be able to apply for trade-impacted certification that will make them eligible for services under Title I of the Reemployment Act of 1994 and for income support under Title I of this Act.

### Budget Overview

The Administration's FY 1995 budget includes \$1.465 billion for reemployment services for dislocated workers. When fully implemented in FY 2000, the system will serve 1.3 dislocated workers. This represents a total investment of more than \$13 billion over the five year period -- FY 1995-FY 2000: \$9.9 billion in discretionary spending, \$2.0 billion in capped mandatory funds, and \$1.25 billion on One-Stop Career Centers.

**EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
Washington, D.C. 20503**

**March 1, 1994**

**LEGISLATIVE REFERRAL MEMORANDUM**

**LRM #D-615  
DRAFT #152**

**TO: Legislative Liaison Officer -**

**AGRICULTURE - Marvin Shapiro - (202)720-1516 - 312  
COMMERCE - Michael A. Levitt - (202)482-3086 - 324  
DEFENSE - Samuel T. Brick, Jr. - (703)697-1305 - 325  
EDUCATION - John Kristy - (202)401-2670 - 207  
HHS - Frances White - (202)690-7760 - 328  
HUD - Edward J. Murphy, Jr. - (202)708-1793 - 215  
INTERIOR - Danny Consenstein - (202)208-6706 - 329  
JUSTICE - Sheila F. Anthony - (202)514-2141 - 217  
STATE - Julia C. Norton - (202)647-4463 - 225  
TREASURY - Richard S. Carro - (202)622-1146 - 228  
VA - Robert Coy - (202)535-8113 - 229  
EPA - Thomas C. Roberts - (202)260-5414 - 326  
FEMA - John P. Carey - (202)646-4105 - 327  
NEC - Sonyia Matthews - (202)456-6722 - 429  
USTR - Fred Montgomery - (202)395-3475 - 223  
FTC - Dorian Hall - (202)326-2195 - 313**

**FROM: JANET R. FORSGREN (for) *Janet R. Forsgren*  
Assistant Director for Legislative Reference**

**OMB CONTACT: Chris MUSTAIN (395-3923)  
Secretary's line (for simple responses): 395-7362**

**SUBJECT: LABOR Draft Bill Reemployment Initiative**

**DEADLINE: COB March 3, 1994**

**COMMENTS: The attached initiative is packaged into two bills, the Reemployment Act of 1994 and the Retraining Income Support Act of 1994. Changes made to the bill text from the version dated 2/8/94 and circulated FYI under LRM D-583 are indicated. We understand that the President may transmit the initiative next week. THEREFORE, THE ABOVE DEADLINE IS FIRM.**

**OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.**

**Please advise us if this item will affect direct spending or receipts for purposes of the the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.**

CC:

Isabel Sawhill  
Barbara Selfridge  
Larry Matlack  
Maureen Walsh  
Carole Kitti  
Barry White  
Cynthia Brown  
Keith Fontenot  
Mark Menchik  
Dan Chenok  
Barry Clendenin  
Bill Dorotinsky  
Rob Veeder  
Richard Kuzmack  
Rodney Bent  
Karin Kizer  
Chris Heiser  
Rob Fairweather  
Peggy Young  
Art Stigile  
Dick Emery  
Ed Rea  
Tom Stack  
Linda Hoogeveen  
Jim Fish  
Phebe Vickers  
Bill Coleman  
Bob Damus  
Roz Rettman  
Joe Minarik  
Katie McGinty  
Bill Dickens  
Bill Galston  
Greg Simon/  
Jim Kohlenberger  
Delphine Motley  
Janet Forsgren

