Workforce Development Legislation
Comparison of HR 1617 and S.143*

Issue	House: H.R. 1617, CAREERS Act	Senate: S.143, Workforce Development Act of 1995	Comments & Positions
In General	Focus is on target population approach. Creates three block grants to States: Adult Training, Adult Education and Literacy, and Youth Workforce Preparation Sec. 2	Focus is on a systems approach. Creates two block grants to states; emphasizes a results-oriented performance system. The first is divided at state level into three portions: workforce employment (25%) and workforce education (25%). The remaining 50% is a "flex" account the use of which will be determined by a state-driven collaborative process. However, a portion of funds must be used for school-to-work activities. Sec. 106 A second block grant supports activities for at-risk youth and the Federal Job Corps.	
Effective Date	October 1, 1996 (FY97), Secretaries given broad transition authority Sec. 713 [233]	July 1, 1998 (FY 98), waivers available for FY 96 and 97 Sec. 125 [118]	Senate: FY 98 would allow a better transition(2 year); senate bill is based on program year: July 1-June 30
Funding Authorization	FY 97: Youth Grant $2.30b. (20% cut); Adult Grant $2.263b. (20% cut); Literacy $280m. (10% cut). Otherwise such sums for FY 98 - 2002 as may be necessary. Sec. 4[5]	$5.9b. for consolidated system and $2b. for at-risk youth and JOB Corps with 9.25% reserved for national activities, including support for major dislocations and migrant workers. The remaining 90.75% is allocated to States. Overall, the bill reduces funding by approximately 15% from FY 1995. Sec. 124 [116]	Senate: Oregon schools and adult programs would receive substantially more money

***This document is a comparison based on documents prepared by the National Governors Association, the Council of Chief State School Officers, the American Vocational Association and the National Alliance of Business. Brackets indicate page numbers in HR1617 and S.143.**

Core Approach Structure	Over 100 programs consolidated into 3 grants to States: --Title II, Youth Develompment & Career Preparation (Perkins voc-ed & JTPA youth job training) --Title III, Adult Ed. & Training --Title VI, Adult Ed., Family Literacy, Library Services and Technology	Over 85 programs consolidated into two block grants. The primary block grant has three funding streams: 25% for workforce education (voc & adult ed), 25% for workforce employment, and 50% allocated to a "flex" account for school-to-work, economic development, and workforce education and training, as determined by a collaborative process. The second block grant supports workforce preparation activities for at-risk youth. Sec. 103 [27]	Senate: But note that adoption of relative House allocation levels would permit a 1/3-1/3-1/3 distribution.
Federal Role and Governance	Includes administration management of national activities, Labor Market Information (LMI), setting guidelines for provider eligibility determination and Management Information Systems (MIS). The Secretaries of Education and Labor collaborate in setting common procedure for compliance with statutory requirements; set core indicators and world class performance levels in order to ensure a nationwide performance system. USED/DOL retain the authority to administer the grants, etc. Sec. 110[61]	Designate the Secretaries of Education and Labor as the primary decision makers and establishes a Federal Partnership with a National Board (7 representatives of business and industry, 2 from labor, 2 educators one from voc ed and the second from adult ed, and 2 governors) to oversee the work of the Federal Partnership. Working jointly with the Partnership, the Secretaries review/approve State plans; make allocations to States; oversee LMI; negotiate State performance benchmarks, review performance, and initiate performance awards/sanctions. Partnership approves plans, monitors states' progress toward goals/benchmarks and oversees consolidated office of workforce development. Secretaries of Education and Labor administer programs under direction of Federal Partnership. Sec. 181 [162]	
State Plan:	Title I: The governor develops the state plan to Secretaries using collaborative process. Governor appoints collaborators, except that the SEA, state postsec agency, & representatives from voc and adult ed must be included. If the governor is unable to obtain agreement on a plan through the collaborative process, the governor is authorized to submit the plan but must accept and include dissenting views of representatives in the collaborative process on the area for which they were selected. No provision for plan to demonstrate the agreement of state education authorities. Plan	Single plan submitted by the governor to partnership containing 3 parts: (1) Education (25%); prepared by the SEA in collaboration with postsec & voc-ed agencies (2) Employment (25%); prepared by the governor (3) Flex Account (50%); prepared through a collaborative process including SEA, state agency officials for postsec, voc-ed, voc-rehab, economic development, employment, job training, local elected officials, & representatives from business. The plan must demonstrate the support of the individuals/entities that participate in the collaborative process. If the governor is unable to obtain support for the plan, the plan must be circulated for 30 days and comments of disagreeing parties included in the plan. State may establish workforce development board to develop	Senate: Better fit with Oregon collaborative process and workforce education system.

	must include • description of collaborative process Sec. 103 [29] • system goals Sec. 104 [33] • how State has established workforce development areas, local workforce development boards, 1-stop systems, and certification of training and service providers • how state will participate in local LMI system Sec. 104 • voc rehab info • how coordination will be ensured • public input to plan • consultation with business and industry • sanctions State may impose	plan and system. Plan must include: • overall strategic plan for workforce activities, including allocation of funds within the flex account, limits on economic development, how state will set and meet goals, obtaining business input, leveraging other resources, performance evaluation, plan for common data collection and reporting • workforce development activities, including designated areas, one-stop system, performance indicators, how State will meet goals for at-risk youth, evaluation, technical assistance, assessment of progress in meeting student performance measures. plan for workforce education funds prepared by SEA, but Governor may submit an integrated state plan with concurrence of education authorities. Sec. 104 [28]	
Plan Duration	Remains in effect for up to six years or until the state submits modifications. Sec. 4	Three years.	House: Will take time to implement the system so should be at least a five-year plan.
State Sovereignty:	Title I provision that "Nothing in this Act shall negate or supersede the legal authority of..."	Provision assures that funds under the Act will flow in accordance with state law and authority. The Act also contains a special rule that nothing in the Act shall prevent an agency or entity that was administering a program the day before enactment to continue to do so.	Retain both House and Senate provisions.
State Governance:	The governor is designated to administer Title II, youth, receive plans from local workforce boards, and distribute funds to LEA/postsec entities in local partnership. Governor also designates geographical areas, designs the formula, retains administrative funds.	The workforce education funds are administered by the SEA directly to the LEAs/postsec entities.	Senate: Follows present Oregon law.

<u>Within State Allocation:</u>	<u>Title II, Youth</u>: 10% state-level activities; 90% to localities, distributed as follows: --40% to in-school youth --40% to at-risk youth (both in-school & out-of-school) --10% governor's discretion --10% split b/w in-school & out-of-school youth. The governor may also transfer up to 10% between Titles II & III. Title IV, Adult Ed: Competitive grants?	Workforce Ed (25%): includes 80% for local activities, 20% for state-level activities. Uses current Perkins formula. Workforce Employment (25%): 75% to local entities. Flex funds (50%): collaborative process determines distribution.	Senate: State level activities are vital to advance workforce/ education system. Local schools receive more funds.
<u>Local Structure and Governance</u>	Governor ensures establishment of local workforce development board, selected by a chief elected official, which must include a majority of business reps, individuals with disability, reps of ed & community-based organizations. Sec. 105 [37] Local board: 1. develops biennial plan, including: --goals and strategies --performance measures --description of 1-stop system --strategy for involving community 2. uses LMI to identify demand occupations 3. sets budget and program oversight 4. but cannot administer programs Sec. 105 [41-44]	Workforce Employment. Governor negotiates and enters into a local agreement with local partnership or local workforce development board. Local partnership members selected by local elected officials, must include reps from: • business, industry, and labor • secondary and postsecondary schools • local elected officials • rehab agencies • community based organizations • veterans Agreement must include how funds allocated to area will be spent to meet state goals and benchmarks, and how collaboration took place. If agreement cannot be reached, Governor, with 30 days notice, advises how funds to be spent.	
<u>Local Plan & Governance</u>	Title II, Youth: LEA/postsec entity is represented on local workforce board which makes 2-year youth educ. & training plan for local workforce area. No requirement for LEA/postsec entity to approve the plan.	<u>Workforce Education(voc-ed)</u>: LEA/postsec entity applies to SEA and receives funds by formula from SEA. LEA/postsec entity represented on local workforce board and collaborates on workforce employment and STW plan. Local workforce board reviews LEA/postsec entity plan for workforce education.	Senate.

Accountability:	Title I collaborative process develops <u>all</u> performance standards. Secretaries of USED/DOL apply sanctions (?). Governor establishes benchmarks for local recipients. If not met, the governor must provide technical assistance and take corrective action. States establish core indicators under definitions of Secretary. States establish levels of performance for local areas, taking into account world class levels. States report levels to Secretaries. State failure to meet performance levels for 2 consecutive years results in up to 25% reduction in grant. Feds grant incentive moneys based on performance. For 2 years transition, certification of service provider can be based on JTPA performance. No provision to use social security number. Sec. 321 [139]	SEA develops workforce education performance standards. If state goals not met, the Federal Partnership determines whether the failure to meet the goals is attributable to workforce education, training or both, and can levy sanctions accordingly, but funds withheld from one category may revert to another within the state. States set benchmarks related to appropriate education and meaningful employment to meet broad workforce development goals and report annually on success in meeting benchmarks. Governing board negotiates benchmarks with state. States failing to achieve benchmarks may have allocation reduced by up to 10% for 3 years and states may receive incentive grants for meeting or achieving benchmarks. States required to evaluate progress of all individuals through 1-stop system. Social security number use required.	Senate: Goodling has <u>45</u> mandated standards and no provision for use of social security numbers.
Flexibility and Workflex	No comparable provision	Creates a demonstration program to permit 6 states to waive federal regulations. States are selected by the Secretary of Labor (Similar to "Ed-Flex" created in Goals 2000) Sec. 172 [154]	Senate: Note both bills are more flexible than current law.
Special Provisions	Supplement not supplant. Sec. 211 [100]	Supplement not supplant and maintenance of effort provisions. Sec. 106 (c) [54]	
Services	1-stop systems required. Core services and information available to general public through 1-stops. Intensive services available to general public if sufficient funds available.	1-stop systems required. Targeting of services at discretion of the Governor and local partnership; core services provided to general public through one-stop Sec. 106 [45]	
Income Support	Income support similar to needs-based payments under JTPA Title III authorized. Sec. 315 (d) (2) [134]	Support services, including financial assistance authorized. Sec. 106 [45]	
Skill Grants/Vouchers	Vouchers are to be used for education and training in Adult Grant except OJT, or where there are insufficient certified providers or services for special populations. Sec. 5 (1); 315 [134])	Authorized but not required, for individuals 18 and older who are ineligible for Pell Grants. Sec. 106 [51]	Senate: House mandates use of vouchers.

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Certification of Education and Training Providers	Certification required for providers to receive funds through vouchers or contracts. Consumer information and certification of service providers combined with consumer choice through vouchers.	Where State chooses to use vouchers, state required to describe: • criteria for provider eligibility, and • providing information about provider performance Sec. 106 [51]	
School-To-Work	Consolidated/eliminated. Requires STW framework but does not include funds for national incentive grants.	Consolidated/eliminated but existing States with STW grants must continue to implement using 50% flex funds. Sec. 106 [56]	
Labor Market Information	National Labor Market Information system established. Prescribes how Secretary to administer at national level. Sec. 21 [77]	National LMI system established. Federal Partnership given discretion on how to administer at national level. Sec. 183 [182]	Senate
Voc Rehab	No provisions (this title was struck during floor action on bill)	Continue as a separate authorization. Amends Title I of Rehab Act to achieve greater coordination. Planning, timelines, and accountability are consistent with Workforce Development Act. Voc Rehab becomes part of the larger employment and training system in the State but retains separate authority and funding stream. (Sec. 106 [48]	
State Funding	For Title II, of the amount authorized, 20% or $25million (whichever is less) may be retained by Secretary, the balance is allotted to the States based on the percentage of Perkins 101 and JTPA 252 and 22 funds received in previous year. In subsequent years, percentages stay the same. Sec. 211 [99]	For block grants, formula for allotments to States based on general population, unemployment rates, numbers of low income individuals, and welfare recipients. 9.25% of appropriation may be retained at the federal level, with 90.75 allotted to the States. State workforce employment funds are split 25% state - 75% local. State may spend 20% of its 25% for admin. Sec. 111 (75) For at-risk youth grants, allotments to states based 1/3 on employment, I/3 on poverty, and I/3 on at-risk population. Sec. 161 [135]	Relative benefit under each formula not yet calculated.
Local Funding	Title II substate allocation - 90% of funds allocated to local areas. (40%) eligible institutions for in-school, (40%) for out of school. Governor sets within State formula for distribution based on poverty rates, proportion of youth, and other appropriate factors. Minimum grants specified. Sec. 212 State may grant incentive awards from funds	For workforce employment activities, 75% shall be distributed to local entities with allocation formula using such factors as poverty, unemployment and the number of AFDC recipients in the State. For workforce education activities, 80% must be allocated n accordance with the formulas set out in the sections for secondary, postsecondary, and adult education. Flex funds (50%) - through collaborative process, the State will decide how to use and allocate these funds, setting priorities according to the State's economic, educational, and employment factors	Senate: Greater flexibility for state and locals.

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	reserved for State. For Title III, 85% of authorized fund allotted to states based on proportionate amount received n last year under Title IIA and III of JTPA. Governor may reserve 2% of allotment for TA, innovation and support, MIS. No more than 1/4 reserved may e used for admin. Governor sets allocation formula based on poverty, unemployment, proportion of population or other factors. Sec. 313 [125] Title IV allotment for adult ed and family literacy based on proportionate number of eligible in State.	At-risk youth grants are decided at the state level.	
Economic Development and Skill Upgrading	Secretary may provide grants to states for loans to employers or employee representatives for skills upgrading. Sec. 324 [146]	Allows states to use 50% of "flex account" funds for economic development activities if the state established either local workforce boards or a voucher program for persons 18 years.and older.	Senate: Would better meet state needs.
Consolidation	• Employment Service remains separate • Job Corps remains a federal program	• Employment Service resources are part of the 25% of funds allocated to the Governor. • Job Corps remains a federal program.	Senate: Should be part of the system.

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THE WORKFORCE EMPOWERMENT AGENDA

The Administration has made significant progress in employment and training reform in its first two years. But if America is to restore its defining bargain--that if you work hard and play by the rules, you should be able to get ahead--we need to push harder and cut deeper to reshape our employment and training system. Here are the highlights of proposals worked out by the Departments of Education and Labor, in cooperation with White House Staff:

1. Choice

- Americans already have an array of training options -- community colleges, proprietary schools, private training institutions. Adding to that supply is not the answer. The best solution is to give individuals the resources and the opportunity to choose the training best for them.

- **Skill Scholarships** are the heart of this proposal. Both dislocated workers and disadvantaged adults will be eligible for this "two years and up" gateway to new careers. Skill Scholarships of up to $3000 per year for two years will finance education or training that can lead to a better job. The scholarships will be enough to cover tuition, books, supplies, and transportation for a typical course of retraining at a public institution.

- Instead of going for their training where government sends them, workers can get access to and apply their scholarships at **any eligible training institution**, including community colleges and private technical schools.

- **Extended unemployment benefits to workers in retraining** will make longer-term learning programs economically feasible.

- The proposal will also step up the marketing of **Individual Education Accounts** to all American workers (emphasizing the **"pay as you can"** option) as an affordable way to finance lifelong learning.

- Finally, we propose to empower all workers with learning choices by **fixing the tax system** to encourage skill investments.

2. Accountability

- Every provider of education and training will have to meet a rigorous set of quality standards before it can compete for students.

- Potential customers, individual working men and women, will be armed with detailed consumer Report Cards that tell what each program offers and how past participants have fared on the job market.

- Most importantly, **choice itself will enforce accountability**, because the new system will create a buyer's market. Programs will have to offer training that truly helps workers sharpen their skills and land a better job. If they fail to deliver, people can take their scholarships and spend them elsewhere. Satisfying ordinary Americans--not meeting bureaucratic requirements--will be the measure of success that matters most.

3. Consolidation

- The proposal would consolidate over **70 separate programs** into five simpler systems covering adult employment and training, youth development, native Americans, migrants and seasonal farmworkers, and adult education and literacy.

- Rather than simply repackaging programs into fewer boxes, or putting state bureaucrats in charge instead of federal bureaucrats, we aim to radically restructure incentives and accountability by shifting control wherever possible directly to workers.

- Over 24 separate programs for dislocated and disadvantaged adult workers will be swept off the books and replaced with individual scholarships that workers can tap readily and control themselves.

- The current welter of youth programs will be replaced by a coherent system rooted in the school-to-work approach.

- To put workers in charge of their own learning, the proposal would backstop worker-controlled resources with comprehensive information and quality control.

4. Limited government

- Government's role is stripped to the essentials in this proposal. It will serve as the conduit for learning resources. It will publish labor-market data to inform learning choices, report on the performance of training institutions, broker reemployment services, and police the system to ensure that every individual and institution plays by the rules.

- The current sprawl of agencies, offices, and boards will be compressed into an integrated delivery system centered on customer-friendly networks of one-stop career centers.

- Government won't dictate either to programs or to people. It will be up to learning institutions--spurred by competitive pressures--to decide how best to deliver new skills. It will be up to individuals--the best judges of their own interest--to decide what skill investments make sense for them.

5. **Doing Right by Our Kids**

- The same principles of accountability, efficiency, and practical linkages to the working world apply to our **youth program consolidation** proposal. But kids have special needs, so **institutional reform** must play a larger role--and choice a somewhat smaller role--in our proposal for youth.

- We propose **consolidating youth employment and training into two coherent systems.** Both systems are anchored on the foundation of the **school to work** transformation already underway in all fifty states.

- For kids still in school, we propose to **consolidate all 25 vocational education programs** into the system emerging under the School-to-Work Opportunities Act.

- For kids who have dropped out of school, we propose to **consolidate JTPA Title II** (aside from Job Corps), **Youth Fair Chance,** and **Youthbuild** into an integrated **School-to-Work Second Chance** program.

- To fuel the youth reforms and focus resources, we propose a **Job Guarantee Program** targeted on young people age 16 to 25 and linked with the Administration's Empowerment Zone and Enterprise Zone initiative.

Issue 2: School-to-Work Delivery System for Youth

With the passage of the School-to-Work Opportunities Act, the President has begun a national reform of education and workforce preparation for youth, particularly for the 75 percent not prepared for work and postsecondary education. The ETR initiative seeks to transform the major federal programs for youth-Perkins and JTPA--to advance the School-to-Work initiative.

Option 1: The ETR proposal would reform the 25 vocational education and training programs for youth into two broad grant School-to-Work programs. The Perkins funds would go to high schools and commmunity colleges to support School-to-Work ~~in high schools and community colleges~~. The JTPA funds would primarily support "second chance" School-to-Work programs for out-of-school youth.

Pro: Ensures that federal funds for vocational education and training will advance the School-to-Work initiative for all youth--both in-school and out-of-school youth.

Con: Keeps two funding streams for in school and out-of-school youth.

Option 2: An alternative proposal would be to combine all JTPA and Perkins funds into one single grant to states and provide maximum flexibility on the use of funds to support the School-to-Work initiative.

Pro: Maximizes state flexibility and consolidation of federal programs.

Con: Does not ensure that a state will use federal funds to advance the School-to-Work initiative for both in-school and out-of-school youth.