Voc 9d

consistent results between the accommodated and regular population in the 1996 test, which included a larger sample, said Arnold Goldstein, education policy analyst for ED's National Center on Education Statistics. A report is expected later this year.

Extra Time? Another issue is the extra time itself, which could provide an obvious advantage to any student that gets it.

"It happens to be the kind of thing that would be helpful to a lot of people, not just a student with a disability," said Bob Land, professor of education at the University of Colorado at Boulder and co-director of the National Center for Research on Evaluation, Standards and Student Testing.

Michael Resnick, lobbyist for the National School Boards Association, notes that some tests aim to measure a student's ability to answer a set of questions in a fixed period, while some students with learning disabilities need extended time to understand problems.

The impact of testing accommodations has long been one of ED's research priorities. Now, the department is planning to fund a study of the validity of testing accommodations for both disabled and nondisabled test takers.

If nondisabled students who get accommodations produce different results than a control group of nondisabled students who don't get accommodations, "the validity of using the accommodations would need to be reexamined," says ED's report.

"The Inclusion of Students with Disabilities and Limited English Proficient Students in Large-Scale Assessments: A Summary of Recent Progress," is free from National Center for Education Statistics, 555 New Jersey Avenue NW, Washington, DC 20208-5574, or the National Library of Education, (800)424-1616.

The National Center on Educational Outcomes has an Internet site at http://www.coled.umn. edu/NCEO. The National Center for Research on Evaluation, Standards and Student testing is at http://cresst96.cse.ucla.edu/index.htm. —William J. Cahir■

12. Education Daily

August 18, 1997

SENATE BILL'S CAREER PROVISION WON'T HAMPER VOC ED

A draft Senate bill would forbid high schools from requiring students to pick a career path, but vocational education and school-to-work advocates generally say the provision will have little effect on their programs.

"It's a paper tiger that was clearly thrown in to appease the Eagle Forum," an influential conservative group, one voc ed lobbyist said.

Most advocates interviewed last week agreed the language is a hedge against conservative groups, who fear school-to-work and voc ed could be mandated for all students and that students will be tracked into careers they may not want.

The 344-page draft Senate bill to overhaul vocational education, job training and adult education programs also would ban using federal funds to "mandate any individual participate in a vocational education program."

"No one is required to take vocational education anyway," said Alan Ray, a spokesman for the New York education department, whose commissioner last month proposed requiring that all high school students pick an academic or career path after completing a core of academic courses.

In The Face Of Reform? The draft copies a provision in H.R. 1853+a bill the House passed last month that would amend the Carl D. Perkins Vocational and Applied Technology Education Act+to prohibit federal voc ed funds from steering students toward a major (ED, June 3).

The House bill, unlike the Senate draft, also would prohibit schools from using Perkins money on programs below the seventh grade (ED, July 16).

Conflict In New Jersey Still, some voc ed leaders fear the Senate draft and House bill would conflict with the 1994 School-To-Work Opportunities Act, which requires participants to pick a career major by their junior year in high school.

That law also stresses that career-exploration counseling begin as early as possible, and no later than seventh grade (ED Supplement, May 11, 1994).

"If you really are serious about education reform, then career majors would be required of all students," said Thomas Henry, New Jersey's voc ed and school-to-work director.

Henry said the provision also would clash with the state's new graduation requirements, which require high school students to choose a career major by their junior year and attain workplace experience (ED, Dec. 12, 1996).

For several other states, the language isn't alarming.

"That provision is irrelevant to us," said Christopher Lyons, who directs Maine's voc ed and school-to-work programs.

Maine is cautious to distinguish voc ed and school-to-work, and it interprets the federal school-to-work law to mean the program is available to all students, not required. "To [not] do that would be to precipitate opposition on the part of upper-middle class parents" who may fear that the program could limit their children's career options, Lyons said.

The Senate education committee aims to introduce the bill next month. —Matthew Dembicki■

Perkins

Comments on Perkins Career Preparation Education Act

Legislation

p. 28-32. Do the provisions pertaining to allocation of funds and consortia address the problem, under the existing Act, that Oregon encountered in forming and funding consortia comprised of both LEA's and IHE's?

p. 29, sec. 109(b)(2) -- does "non-Federal sources" exclude the use of Title VI or Impact Aid funds?

Additional suggested edits and questions are written on draft--will get to you first thing in the morning.

Transmittal letter

Overall comment --There seems too much emphasis on "systems-building" and not enough on the kinds of services that the bill is designed to support. "Systems-building" sounds very bureaucratic.

lst page, 3rd paragraph -- This paragraph needs substantial tightening up overall. Here are some of the problems:

Second sentence -- Odd to say l, 2, and 3 are based "on evidence." For example, it seems self-evident that students "learn in both classroom and workplace settings " and "need preparation to continue learning in postsecondary programs." What does the latter mean?

Third sentence -- how has state STW "systems-building" demonstrated that student achievement is enhanced by academic-vocational linkages. Maybe the emerging state and local school to work partnerships are helping to demonstrate that. Or maybe the performance of students participating in such partnerships are.

Fourth sentence -- what does "these changes" refer to? Does this refer back to the second paragraph?

Page 2:

Last paragraph on page one refers to "the following major principles." The first paragraph on 2 begins with "First, " but after that, even with the underlining, it is hard to follow what are the "major principles". It would help to number each of these paragraphs, of which it appears that could be four (or maybe five, including the one on the bottom of page 3).

First paragraph: I would suggest rewriting along the follwing lines:

First, the Act would support high quality, broad-based career preparation education programs that help students meet high academic standards and that link vocational education with wider education improvement efforts. Supported activities would include state and local school to work initiatives, as well as vocational education-related secondary school reform and postsecondary education improvement and access initiatives.

Second paragraph: Delete first sentence, then begin "Second, our proposal..."

Third P. -- Second sentence, "other" is vague -- would substitute "revised" or remaining"

Page 3:

First P. -- Delete next to last sentence.

Second P. -- first sentence, make it "the Department would continue its consultations" since they are already underway. Second sentence should be simplified to read, "These measures would include students' attainment..." Third sentence -- change outcomes to results. Last sentence -- delete " a parallel", "with additional funds," and substitute "results" for "outcomes."

Third P. -- The transition into the last sentence of the paragraph (on p. 4) is awkward here. Should it be moved up, perhaps just after the first sentence, prefaced by "However"? I would delete last full sentence -- this is an invitation to challenge us on our "solid evidence."

Page 4:

First full P. -- second sentence, -- I would end sentence after "outcomes" and start anew with "Overall, the bill would create..."

Perkins Reauthorization

DRAFT **August 8, 1997**

Comparison of the Carl D. Perkins Vocational Education Act with the Administration's Career Preparation Legislation, the House Vocational Education Legislation, and the Senate Vocational Education Legislation

Topic	Perkins	Administration's Bill - HR 1803/S. 993	House Bill - HR 1853 (as passed by House)	Senate Bill -
Bill Structure	Separate bill for vocational education.	Separate bill for career preparation education.	Separate bill for vocational education.	
Final Approval of State Plan	Secretary has final approval of state plan.	Secretary establishes a peer review process to make recommendations regarding approval of state plan. Secretary has final approval.	State submits application to Secretary. Secretary must approve state application unless the Secretary makes a written determination within 90 days after receiving the plan that the plan is in violation of the provisions of the Act.	
Performance	State board develops and implements a statewide system of core standards and measures of performance for secondary and postsecondary voc. ed.	States develop performance goals and use Secretary's performance indicators to evaluate its programs. Local recipients evaluate their programs and report to the State on an annual basis (biennial for priorities in Section 101(b), including information about special populations).	States develop benchmarks to measure students' progress in three areas: attainment of State academic proficiencies, attainment of diplomas or GEDs, and participation in/ completion of postsecondary ed, advanced training, employment, military service, and/or apprenticeship.	

Topic	Perkins	Administration's Bill - HR 1803/S. 993	House Bill - HR 1853 (as passed by House)	Senate Bill -
Accountability	No provision for Secretary to withhold funds if States do not meet performance goals.	Secretary can withhold all or part of a State's funds if he/she determines that the State is not making sufficient progress based on performance goals and indicators and the expected level of performance in the state plan.	Secretary can withhold all or part of a State's funds if he/she determines that the State is not making sufficient progress on benchmarks. States that fail to meet their benchmarks develop a program improvement plan for the succeeding program year to avoid the sanction. States annually submit a report showing how they are progressing on benchmarks to Secretary, who makes the information public. States are required to make the information public at the state level.	

Topic	Perkins	Administration's Bill - HR 1803/S. 993	House Bill - HR 1853 (as passed by House)	Senate Bill -
Authorization	$1.6 billion, of which 1.5% goes to Indians and Native Hawaiians (1.25% to Indians and 0.25% to Hawaiians) and 0.2% goes to territories.	$1,064,047,000 for basic grant and $105,000,000 for Tech-Prep for FY 1998, of which 1.75% goes to Indians and Native Hawaiians (1.5% to Indians and 0.25% to Hawaiians). Such sums for basic grant and Tech-Prep for FY 1999 through 2002, of which 1.75% goes to Indians and Native Hawaiians (1.5% to Indians and 0.25% to Hawaiians). (Territories would receive funds through the basic state grant.)	$1.3 billion for FY 1998 and such sums for FY 1999 through 2002, of which not more than 10% of the total appropriation is first reserved for Tech-Prep. Of the amounts remaining, 1.5% goes to Indians and Native Hawaiians (1.25% to Indians and 0.25% to Hawaiians) and 0.2% goes to territories. Additional appropriation of up to $4 million for tribally controlled postsecondary vocational technical ed. programs.	

Topic	Perkins	Administration's Bill - HR 1803/S. 993	House Bill - HR 1853 (as passed by House)	Senate Bill -
State Allotment	50%--population aged 15 to 19 20%--population aged 20 to 24 15%--population aged 25 to 65 15 %--population aged 15 to 65 Small state minimum (½ percent)	50%--population aged 15 to 19 50%--population aged 20 to 24 Small state minimum dropped because of increased allocation	50%--population aged 15 to 19 50%--population aged 20 to 24 Small state minimum and cap	
State Allotment Ratio (based on per capita income)	0.4 - 0.6	0.4 - 0.6	0.4 - 0.55	

Topic	Perkins	Administration's Bill - HR 1803/S. 993	House Bill - HR 1853 (as passed by House)	Senate Bill -
Maintenance of Effort	Requires State to maintain 100% of effort. Penalizes States that do not meet requirement by withholding their entire allotment. Secretary may waive requirement for up to 5% of expenditures for one year.	Requires State to maintain 90% of either fiscal effort per student or aggregate expenditures (whichever is most favorable to the State). Penalizes States that do not meet requirement by reducing their allotment by the same percentage by which they decreased their effort below 90% of either fiscal effort per student or aggregate expenditures (whichever is most favorable to the State). Secretary may waive requirement for one year.	Requires State to maintain 100% of effort. Penalizes States that do not meet requirement by reducing their allotment by the same percentage by which they decreased their effort. Secretary may waive requirement for up to 5% of expenditures for one year.	
Supplement Not Supplant	Law contains a supplement not supplant provision.	Bill contains a supplement not supplant provision.	Bill contains a supplement not supplant provision.	

Topic	Perkins	Administration's Bill - HR 1803/S. 993	House Bill - HR 1853 (as passed by House)	Senate Bill -
Within-State Allotment	75%--goes to LEAs 10.5%--programs for single parents, displaced homemakers, and single pregnant women 8.5%--state leadership 5%--state administration 1%--programs for criminal offenders No rural reserve	80%--goes to LEAs in FY 1998 and 1999 85%--goes to LEAs in FY 2000 to 2002 States keep 20% in FY 1998 and 1999 and 15% in FY 2000 to 2002, with a ceiling of 5% for state administration and the remainder for state leadership. No rural reserve	90%--goes to LEAs 8%--state leadership 2%--state administration States may reserve up to 5% of the allotment for grants to rural areas and 5% for grants to urban areas.	

Topic	Perkins	Administration's Bill - HR 1803/S. 993	House Bill - HR 1853 (as passed by House)	Senate Bill -
Within-State Formula - Secondary Funds	Secondary funds are distributed by the State based on Title I (70%), IDEA (20%), and the number of students in LEA and adults in training programs (10%). Minimum award of $15,000.	Secondary funds are distributed by the State based on Title I. Alternate formula allowed. Minimum award of $15,000.	Secondary funds are distributed to LEAs in FY 1998 based on current law. Funds are distributed in FY 1999 and 2000 based on 70% poverty (based on the population aged 15 to 19) and 30% population aged 15 to 19, with a hold harmless at the 1997 funding level. Any additional funds above the 1997 level would be based on a 60% poverty and 40% population formula. FY 2001 funds would be based on a 65% poverty and 35% population formula, and 2002 funds would be distributed based on a 60% poverty and 40% population formula. Alternate formula allowed if results in a greater distribution of funds to children in poverty. Minimum award of $10,000.	

Topic	Perkins	Administration's Bill - HR 1803/S. 993	House Bill - HR 1853 (as passed by House)	Senate Bill -
Within-State Formula - Postsecondary Funds	Postsecondary funds are distributed by the State based on the number of Pell Grant and Bureau of Indian Affairs (BIA)-assistance recipients. Alternate formula allowed by waiver. Minimum award of $50,000.	Postsecondary funds are distributed based on the number of Pell Grant recipients and recipients of BIA-assistance. Alternate formula allowed. Minimum award of $50,000.	Postsecondary funds are distributed based on number of Pell Grant recipients and recipients of BIA-assistance. Alternate formula allowed if it results in a greater distribution of funds to low-income individuals. Minimum award of $35,000.	
Within-State Formula - Special Rule for Minimal Allocation	------------------------	------------------------	To make a more equitable distribution of funds for programs serving areas of greatest economic need, States may distribute 15% of the total amount of the State allocation on a competitive basis or through any alternate method determined by the State.	
Role of SEA	State board establishes, collects, and disseminates performance information; awards grants to LEAs; distributes funds; and writes state plan.	State agency or agencies establishes, collects, and disseminates performance information; awards grants to LEAs; distributes funds; and writes state plan.	State board establishes, collects, and disseminates performance information; awards grants to LEAs; distributes funds; and writes state plan in consultation with the Governor.	

Topic	Perkins	Administration's Bill - HR 1803/S. 993	House Bill - HR 1853 (as passed by House)	Senate Bill -
Tech-Prep	Tech-Prep is a separate authorization.	Tech-Prep is a separate authorization. Bill would require in-state competitive grants.	Not more than 10% of the total appropriation is first reserved for Tech-Prep. States receive minimum grants of $250,000. Grants are awarded on a competitive basis or by a formula determined by the State board.	
School-to-Work	Compatible with STWOA	Compatible with STWOA	Compatible with STWOA	
Repealers	------------------------	------------------------	Repeals Smith-Hughes; parts C, D, E, F, G, and H of Title III of Perkins; and parts B, D, E, and F of Title IV of Perkins.	
Private School Personnel	------------------------	------------------------	Provision that allows nonprofit private schools that have secondary vocational education programs to participate in vocational education professional development activities.	

Voc Ed

William R. Kincaid
07/17/97 12:11:33 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP

cc: Michael Cohen/OPD/EOP
Subject: Voc-Ed Bill to pass House today

fyi -- HR 1853, the Perkins Voc-Ed reauthorization bill, is expected to pass by a wide margin on the House floor this afternoon. Earlier this week, subcommittee chairman Riggs and the Republicans reached a compromise with Democrats on the bill's intra-state funding formula, heading off a highly partisan vote. The bill would achieve several administration goals, including streamlining the legislation from multiple different set-asides to a single, flexible state grant program together with a separate tech-prep program. However, there are still serious concerns with the bill, including poor accountability for performance, limits on the ability of states to implement programs for students to attain industry-recognized skill standards (driven by the right wing), and still-inadequate in-state targeting. The Department of Education hopes to be able to clean up some of these problems in the Senate.

Voc Ed Legislation

DRAFT -- NOT FOR RELEASE

July 16, 1997
(House Rules)

H.R. 1853 - Carl D. Perkins Vocational-Technical Education Act Amendments of 1997
(Rep. Riggs (R) CA and 3 others)

The Administration is committed to enactment of legislation to reauthorize vocational-technical education programs, including a separate tech-prep program, as proposed in H.R. 1853. The Administration has serious reservations about H.R. 1853, but does not oppose House passage of the bill. The Administration will work to improve the bill in the Senate.

In its present form, the bill:

- Fails to ensure grantees' accountability for Federal funds to assist students in attaining the advanced academic and occupational skills that are necessary for high-skill, high-wage careers. It does not ensure the establishment of challenging performance goals/objectives or the joint development of core performance indicators with the Federal Government, States, and other important stakeholders to measure program effectiveness across all States and local areas. As a result, it is highly unlikely that the Department of Education would be able to meet performance objectives envisioned under the Government Performance and Results Act.

- Insufficiently emphasizes program quality and effectiveness by limiting the ability of States to design and implement programs to attain industry-recognized skill standards and by providing insufficient resources for State leadership and administration.

- Fails to provide for adequate intra-State targeting of program funds to schools and postsecondary institutions with the greatest need for funds.

Pay-As-You-Go Scoring

H.R. 1853 would affect direct spending and receipts; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. OMB estimates that H.R. 1853 would increase direct spending by $1 million in FY 1998 and a total of $29 million during FYs 1998-2002.

* * * * * * * * * *

(Do Not Distribute Outside Executive Office of the President)

This draft position was developed by LRD (Connie Bowers) in consultation with HRD (Barry White/Kathy Stack/Aromie Noe). The Departments of Education (Kristy) and Labor (Morin), the NEC (Shireman/Lewis), and DPC (Kincaid) agree with this position. The following reviewed the draft statement and did not object to the position: the Departments of Health and Human Services, the Interior, and Commerce, and TCJS (Gaisford/Haas).

STATUS

H.R. 1853 was reported by the House Committee on Education and the Workforce on July 14, 1997. A copy of the report is not yet available for review. The Department of Education (Weintraub) indicates that after the bill was reported, on July 15th, House Committee staff reached a compromise to modify certain provisions that had been opposed by Democrats and, accordingly, bipartisan support for House passage is expected. This Statement is based upon the Department of Education's (ED) advice on the compromise language, which is not yet available for review.

BACKGROUND

H.R. 1853 would reauthorize and amend the Carl D. Perkins Vocational and Technical Education Act. The Perkins Act provides funds to the States for vocational and technical education training. On June 3, 1997, the Department of Education (ED) transmitted to Congress its proposal to reauthorize and reform the Perkins Act. The Administration's bill proposes to restructure existing programs to improve student achievement in academic and technical skills and make vocational education an integral part of efforts to reform secondary schools and improve postsecondary education. It streamlines and consolidates State formula grant programs and requires that States meet rigorous performance goals. H.R. 1853 differs appreciably from the Administration's proposal.

SUMMARY of H.R. 1853

Committee-Reported Bill (see discussion of "staff compromise" version below)

H.R. 1853 would authorize appropriations of $1.3 billion for FY 1998 and such sums as necessary during FYs 1999-2002 for vocational and technical education. A total of $1.1 billion was appropriated for these programs in FY 1997. The bill would also amend the Act to:

- Consolidate various categorical authorities and set-asides in the current Perkins Act, thereby providing flexibility to States, school districts, and postsecondary institutions to design services and activities, and eliminating overlapping program requirements imposed upon funding recipients.

- Change the formula for allocating Federal grant money to the States. It would change the portion of allocations that States would distribute to local districts based on population, eliminating targeting of older age groups. It would also lower the current minimum grant size for secondary schools from $15,000 to $7,500, and for postsecondary schools from $50,000 to $20,000. The Administration did not propose to change the formula or reduce minimum grants.

- Change the formula for State distribution of grant money (i.e., the within-State allotment). It would increase, from 75 percent to 90 percent, the funding required to go to the local education agencies (LEAs). This would leave eight percent of the money for State leadership activities and two percent for administrative costs. The Administration had proposed that 80 percent of funds be directed to local entities in FY 1998 and 85 percent during FYs 1999-2002. The bill would also allow States to set-aside 10 percent of their funds for rural schools.

- Require that State applications for funds specify plans for improving the academic and technical skills of students participating in vocational-technical education. States would also be required to specify how vocational-technical education students are being taught to the same challenging academic proficiencies as all other students. However, it would prohibit the use of funds to require any individuals to meet or obtain Federally-funded or endorsed industry-recognized skills, certificates, or standards.

- Require States to develop their own benchmarks to measure students' progress and authorize the Secretary to withhold funds if a State is not making sufficient progress on its own benchmarks. (The Administration proposed requiring States to develop performance goals and use performance indicators developed together with the Secretary, States, and other stakeholders to evaluate program effectiveness. The Administration proposed withholding of funds if a State is not making sufficient progress based on the negotiated performance goals, indicators, and benchmarks in the State plan.)

- Maintain Tech-Prep as a separate education program, reserving 10 percent of the total appropriation for that program. (The Administration had proposed funding of $105 million for Tech-Prep in FY 1998.)

- Maintain separate programs for Indians and Native Hawaiians, reserving -- as does current law -- 1.5 percent of the appropriation for Indians and Native Hawaiians and 0.2 percent for the territories. The Administration had proposed 1.75 percent of the appropriation be set aside for Indians and Native Hawaiians, with territories receiving funds through the basic State grant.

- Eliminate the permanent appropriation for the Smith-Hughes Act of 1917, as proposed by the Administration.

- Authorize the Secretary of Education to spend certain fees collected by the Federal Government for property, rights-of-way, and easements for the placement of certain telecommunications services. These would be services dependent upon the utilization of general spectrum rights for the transmission or reception of such services.

Staff Compromise Version

ED reports that House majority and minority staff developed alternative language to address objections to the reported bill that had been raised by Democrats. The language is not available for review; however, ED states that these changes would:

- Modify the way States would target funds so that more program funds would be allocated to schools and postsecondary institutions based on poverty.

- Increase the minimum grant size for secondary schools from the $7,000 in the reported bill to $10,000 (current law mandates $15,000), and for postsecondary schools from $20,000 to $35,000 (current law mandates $50,000). The Administration proposed to maintain current law grant sizes.

PAY-AS-YOU-GO SCORING

According to HRD (Noe), TCJS (Gaisford), BASD (Sullivan), and GC (Damus/Rettman), H.R. 1853 is subject to the pay-as-you-go (PAYGO) provisions of the Omnibus Budget Reconciliation Act of 1990. The bill would repeal the permanent appropriation under the Smith-Hughes Act. This would decrease direct spending by $1 million in FY 1998 and a total of $29 million during FYs 1998-2002. CBO's formal estimate is that the bill would decrease direct spending by a total of $30 million during FYs 1998-2002.

LEGISLATIVE REFERENCE DIVISION DRAFT
July 15, 1997 - 3:30 pm

URGENT

Voc Ed Legislation

Total Pages: ___

LRM ID: CJB66

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Friday, July 11, 1997

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

Janet R. Forsgren

FROM: Janet R. Forsgren (for) Assistant Director for Legislative Reference
OMB CONTACT: Constance J. Bowers
PHONE: (202)395-3803 FAX: (202)395-6148

SUBJECT: Statement of Administration Policy on HR1853 Carl D. Perkins Vocational-Technical Education Act Amendments of 1997

DEADLINE: 5:00 p.m. Friday, July 11, 1997

In accordance with OMB Circular A-19, OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President. **Please advise us if this item will affect direct spending or receipts for purposes of the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.**

COMMENTS:
DISTRIBUTION LIST

AGENCIES:
30-EDUCATION - Jack Kristy - (202) 401-8313
52-HHS - Sondra S. Wallace - (202) 690-7760
59-INTERIOR - Jane Lyder - (202) 208-4371
61-JUSTICE - Andrew Fois - (202) 514-2141
62-LABOR - Robert A. Shapiro - (202) 219-8201
25-COMMERCE - Michael A. Levitt - (202) 482-3151
76-National Economic Council - Sonyia Matthews - (202) 45/6-6630

EOP:
Barry White
Kathryn B. Stack
S. A. Noe
Sarah L. Abernathy
Mark C. Long
Robert M. Shireman
Anne H. Lewis
Michael Cohen
William R. Kincaid
Jonathan H. Schnur
Daniel J. Chenok
Larry R. Matlack

Maureen H. Walsh
Rosalyn J. Rettman
James C. Murr
Janet R. Forsgren

LRM ID: CJB66 **SUBJECT:** Statement of Administration Policy on HR1853 Carl D. Perkins Vocational-Technical Education Act Amendments of 1997

RESPONSE TO
LEGISLATIVE REFERRAL
MEMORANDUM

If your response to this request for views is short (e.g., concur/no comment), we prefer that you respond by e-mail or by faxing us this response sheet. If the response is short and you prefer to call, please call the branch-wide line shown below (NOT the analyst's line) to leave a message with a legislative assistant.

You may also respond by:
(1) calling the analyst/attorney's direct line (you will be connected to voice mail if the analyst does not answer); or
(2) sending us a memo or letter
Please include the LRM number shown above, and the subject shown below.

TO: Constance J. Bowers Phone: 395-3803 Fax: 395-6148
Office of Management and Budget
Branch-Wide Line (to reach legislative assistant): 395-7362

FROM: ______________________ (Date)

______________________ (Name)

______________________ (Agency)

______________________ (Telephone)

The following is the reponse of our agency to your request for views on the above-captioned subject:

_____ Concur

_____ No Objection

_____ No Comment

_____ See proposed edits on pages _________

_____ Other: ______________________

_____ FAX RETURN of ____ pages, attached to this reponse sheet

DRAFT -- NOT FOR RELEASE

July , 1997
(House)

H.R. 1853 - Carl D. Perkins Vocational-Technical Education Act Amendments of 1997
(Rep. Riggs (R) CA and others)

The Administration is committed to enactment of separate legislation to reauthorize vocational-technical education programs, including a separate tech-prep program, as proposed by H.R. 1853. The Administration, however, has serious concerns about H.R. 1853 as reported by the House Committee on Education and the Workforce and therefore opposes the bill in its present form.

The Administration opposes House passage of H.R. 1853 because the bill:

- Fails to provide for adequate intra-State targeting of program funds to communities and institutions with the greatest need for the funds.

- Innappropriately compromises program quality and effectiveness. It fails to emphasize the need for high quality programs by: (1) providing insufficient resources for State leadership, (2) reducing the current, reasonable minimum grant size, and (3) obscuring the ability of States to design and implement programs around the attainment of industry-recognized skill standards.

- Fails to ensure the accountability for Federal funds needed to ensure that students attain the high academic and occupational skills that are necessary for high wage jobs, or that the objectives of the Government Performance Results Act are met.

The Administration urges the House to address these concerns and work to achieve the bipartisan agreement on legislation to reauthorize vocational-technical education that has proven successful in the enactment of other major education initiatives.

* * * * * * * * * *

DRAFT

URGENT

Total Pages: 36

LRM ID: CJB65

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Voc Ed Legislation

Thursday, July 10, 1997

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

FROM: ~~Janet R. Forsgren (for) Assistant Director~~ for Legislative Reference

OMB CONTACT: Constance J. Bowers
PHONE: (202)395-3803 FAX: (202)395-6148

SUBJECT: House Committee on Education and Workforce MARKUP on HR1853 Carl D. Perkins Vocational-Technical Education Act Amendments of 1997

DEADLINE: cob Friday, July 11, 1997

In accordance with OMB Circular A-19, OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President. **Please advise us if this item will affect direct spending or receipts for purposes of the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.**

COMMENTS: HR 1853 is scheduled to be considered by the House during the week of July 14th. Attached is a copy of the bill in the form of two amendments that were adopted: (1) the Chairman's substitute amendment, and (2) a Schaeffer amendment. Please review the text and provide any comments on the bill for purposes of a Statement of Administration Policy (SAP). We hope to circulate a draft SAP on July 11th.

DISTRIBUTION LIST

AGENCIES:
30-EDUCATION - Jack Kristy - (202) 401-8313
52-HHS - Sondra S. Wallace - (202) 690-7760
59-INTERIOR - Jane Lyder - (202) 208-4371
61-JUSTICE - Andrew Fois - (202) 514-2141
62-LABOR - Robert A. Shapiro - (202) 219-8201
25-COMMERCE - Michael A. Levitt - (202) 482-3151
76-National Economic Council - Sonyia Matthews - (202) 45/6-6630

EOP:
Barry White
Kathryn B. Stack
S. A. Noe
Mark C. Long
Sarah L. Abernathy
Robert M. Shireman
Anne H. Lewis
Bruce COHEN
William R. Kincaid
Jonathan H. Schnur
Daniel J. Chenok
Larry R. Matlack
Maureen H. Walsh
James C. Murr
Janet R. Forsgren
Rosalyn J. Rettman

LRM ID: CJB65 **SUBJECT**: House Committee on Education and Workforce MARKUP on HR1853 Carl D. Perkins Vocational-Technical Education Act Amendments of 1997

RESPONSE TO
LEGISLATIVE REFERRAL
MEMORANDUM

If your response to this request for views is short (e.g., concur/no comment), we prefer that you respond by e-mail or by faxing us this response sheet. If the response is short and you prefer to call, please call the branch-wide line shown below (NOT the analyst's line) to leave a message with a legislative assistant.

You may also respond by:

(1) calling the analyst/attorney's direct line (you will be connected to voice mail if the analyst does not answer); or

(2) sending us a memo or letter

Please include the LRM number shown above, and the subject shown below.

TO: Constance J. Bowers Phone: 395-3803 Fax: 395-6148
Office of Management and Budget
Branch-Wide Line (to reach legislative assistant): 395-7362

FROM: ______________________ (Date)

______________________ (Name)

______________________ (Agency)

______________________ (Telephone)

The following is the reponse of our agency to your request for views on the above-captioned subject:

_____ Concur

_____ No Objection

_____ No Comment

_____ See proposed edits on pages _______

_____ Other: ______________________

_____ FAX RETURN of _____ pages, attached to this reponse sheet

FULL COMMITTEE MARKUP

H.R. 1853, "Carl D. Perkins Vocational-Technical Education Act Amendments of 1997" was Ordered Reported Amended to the House by a vote of 20 - 18 on June 25, 1997. ROLL CALL NO. 6.

H.R. 1853, "Carl D. Perkins Vocational-Technical Education Act Amendments of 1997"

Press Release

Opening Statement of Mr. Goodling

Opening Statement of Mr. Riggs

Amendments adopted:

- Offered by Mr. Goodling. Amendment in the Nature of a Substitute. In addition to making the technical and conforming changes, this amendment package makes the following changes to the bill:
  - Modifies the purpose to relate to vocational-technical education;
  - Allows States to reserve 5% of the 90% going to the local level to make incentive awards to local entities that meet or exceed benchmarks or State graduation rates and local entities that are below the State benchmarks or State graduation rates to help them reach these goals;
  - Requires the Secretary to submit a report to Congress on how States are doing with regard to their individual State benchmarks, and provides authority to make this information available to other States;
  - Eliminates the provision for States to withhold 20% of a local entity's money until the local shows it is at, or above, the State graduation rate;
  - Consolidates three separate $5 million authorizations for national activities in the bill to one funding stream for such activities; and
  - Strikes all references to apprenticeships in the bill as well as the definition of apprenticeship.

  This Amendment Passed by Voice Vote.

- Offered by Mr. Schaffer. This amendment would prohibit funds under this Act from being used for vocational-technical education programs for students prior to the 7th grade, but would allow equipment or facilities funded under the Act to be used by such students. **This Amendment Passed by Voice Vote.**

Schaffer Amdmt

AMENDMENT TO THE COMMITTEE PRINT TO H.R. 1853
OFFERED BY MR. BOB SCHAFFER OF COLORADO

Page 67, after line 12, insert the following (and redesignate any subsequent sections accordingly):

"Sec. 406. LIMITATION FOR CERTAIN STUDENTS.

None of the funds received under this Act may be used to provide vocational-technical education programs to students prior to the 7th grade, exc that equipment and facilities funded under this Act may be used by such students.

H.L.C.

Goodling Amdmt

Chairman's Amendment to H.R. 1853

SECTION. 1. SHORT TITLE.

This Act may be cited as the "Carl D. Perkins Vocational-Technical Education Act Amendments of 1997".

SEC. 2. REFERENCES TO ACT.

(a) Short Title to Act.--The short title of the Act is amended to read as follows: "Carl D. Perkins Vocational-Technical Education Act" (20 U.S.C. 2301 et seq.).

(b) References to Act.--Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a title, chapter, part, subpart, section, subsection, or other provision, the reference shall be considered to be made to a title, chapter, part, subpart, section, subsection, or other provision of the Carl D. Perkins Vocational and Applied Technology Education Act. (20 U.S.C. 2301 et seq.).

SEC. 3. TABLE OF CONTENTS;

The table of contents of the Act is repealed.

SEC. 4. PURPOSE.

Section 2 of the Act is amended to read as follows:

"SEC. 2. PURPOSE.

"It is the purpose of this Act to develop more fully the academic, occupational, and technical skills of individuals participating in vocational-technical education programs. This purpose will be achieved through concentrating resources on improving vocational-technical education programs leading to academic and technical skill competencies needed to work in a technologically advanced society.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

Section 3 of the Act is amended--

(1) in subsection (a) by striking "$1,600,000,000" and all that follows and inserting "$1,300,000,000, for fiscal year 1998 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out the provisions of titles I and II.";

(2) by amending subsection (b) to read as follows:

"(b) Title I.--Of the amounts made available under subsection (a)--

"(1) 1.5 percent shall be reserved to carry out section 103, relating to Indian and Native Hawaiians programs; and

"(2) 0.2 percent shall be reserved to carry out section 101A, relating to the territories."; and

(3) by striking subsections (c) through (f).

TITLE I--VOCATIONAL-TECHNICAL EDUCATION ASSISTANCE TO THE STATES

SEC. 101. ALLOTMENT.

Section 101 of the Act is amended--

(1) by striking the matter preceding paragraph (1) and inserting the following:

"SEC. 101. ALLOTMENT.

"(a) Specific Populations.--";

(2) in subsection (a)--

(A) by striking paragraph (1) and inserting in lieu thereof the following:

"(1) In general.--In each fiscal year, from amounts made available under section 3(a), the Secretary shall reserve--

"(A) 1.5 percent to carry out section 103, of which--

"(i) 1.25 percent shall be available to carry out section 103(c); and

"(ii) 0.25 percent shall be available to carry out section 103(i); and

"(B) 0.2 percent for the purpose of carrying out section 101A."; and

(B) by amending paragraph (2) to read as follows:

"(2) Remainder of funds.--From the remainder of the sums appropriated pursuant to section 3, the Secretary shall allot to each State for each fiscal year--

"(A) an amount which bears the same ratio to 50 percent of the sums being allotted as the product of the population aged 15 to 19 inclusive, in the State in the fiscal year preceding the fiscal year for which the determination is made and the State's allotment ratio bears to the sum of the corresponding products for all the States; and

"(B) an amount which bears the same ratio to 50 percent of the sums being allotted as the product of the population aged 20 to 24, inclusive, in the State in the fiscal year preceding the fiscal year for which the determination is made and the State's allotment ratio bears to the sum of the corresponding products for all the States."; and

(C) in paragraph (3)--

(i) by striking subparagraphs (A) and (C);

(ii) by redesignating subparagraphs (B) and (D) as (A) and (B), respectively;

(iii) in subparagraph (A), as redesignated--

(I) by striking clause (i), and inserting the following: "(i) Notwithstanding any other provision of law and subject to subparagraph (B) and clause (ii), no State shall receive less than one-half of one percent of the amount available for each such program for each fiscal year under this subsection."; and

(II) in clause (ii), by striking "or parts A, B, C, D, or E of title III"; and

(3) by amending subsection (c) to read as follows:

"(c) Allotment Ratio.--

"(1) In general.--The allotment ratio for any State shall be 1.00 less the product of--

"(A) 0.50; and

"(B) the quotient obtained by dividing the per capita income for the State by the per capita income for all the States (exclusive of Puerto Rico and the Virgin Islands), except that--

"(i) the allotment ratio in no case shall be more than 0.55 or less than 0.40; and

"(ii) the allotment ratio for Puerto Rico and the Virgin Islands shall be 0.55.

"(2) Allotment ratios.--The allotment ratios shall be promulgated by the Secretary for each fiscal year between October 1 and December 31 of the fiscal year preceding the fiscal year for which the determination is made. Allotment ratios shall be computed on the basis of the average of the appropriate per capita incomes for the three most recent consecutive fiscal years for which satisfactory data are available.

"(3) Definition.--The term `per capita income' means, with respect to a fiscal year, the total personal income in the calendar year ending in such year, divided by the population of the area concerned in such year.

"(4) Population determination.--For the purposes of this section, population shall be determined by the Secretary on the basis of the latest estimates available to the Department.".

SEC. 101A. THE TERRITORIES.

Section 101A of the Act is amended--

(1) by striking the matter preceding the text of subsection (a); and

(2) by inserting after subsection (c) the following new subsection:

"(d) Restriction.--Notwithstanding any other provision of law, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau shall not receive any funds under this part for any fiscal year that begins after September 30, 2001.".

SEC. 102. WITHIN STATE ALLOTMENTS.

Section 102 is amended--

(1) in subsection (a)--

(A) in paragraph (1) by striking "at least" and all that follows through the semicolon and inserting "an amount equal to not less than 90 percent of the allotment shall be available for basic programs under part B of title II;";

(B) by striking paragraph (2);

(C) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively;

(D) in paragraph (2), as redesignated, by striking "8.5" and inserting "8";

(E) in paragraph (3), as redesignated--

(i) by striking "5" and inserting "2";

(ii) by striking "of which--" and all that follows through "and" at the end and inserting the following:

"which may be used for the costs of--

"(A) developing the State plan;

"(B) reviewing local applications;

"(C) monitoring and evaluating program effectiveness; and

"(D) assuring compliance with all applicable Federal laws."; and

(F) by striking paragraph (5);

(2) in subsection (b) by striking "(a)(4)" and inserting "(a)(3)"; and

(3) by striking subsection (c) and inserting the following:

"(c) Rural Reserve.--A State may reserve up to 10 percent of the allotment made under section 102(a)(1) to use for grants to rural areas.".

"(d) Incentive Awards.--A State may reserve not more than 5 percent of the allotment made under section 102(a)(1) to make awards--

"(1) to a local eligible recipient that meets or exceeds the State benchmarks described in section 114;

"(2) to a local eligible recipient that meets or exceeds the average State graduation rate; or

"(3) to assist a local eligible recipient that has significantly failed to meet the State benchmarks described in section 114, or has a graduation rate that is significantly below the average State graduation rate."

SEC. 103. INDIAN AND NATIVE HAWAIIAN PROGRAMS.

Section 103 of the Act is amended to read as follows:

"SEC. 103. NATIVE AMERICAN PROGRAM.

"(a) Indian Policy.--All programs assisted under this section shall be administered in a manner consistent with the principles of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) and the government-to-government relationship between the Federal Government and Indian tribal governments.

"(b) Definitions.--As used in this section:

"(1) Alaska native.--The term 'Alaska Native' means a Native as such term is defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

"(2) Bureau Funded.--The term 'Bureau funded school' means--

"(A) a Bureau school;

"(B) a contract school; or

"(C) a school for which assistance is provided under the Tribally Controlled Schools Act of 1988.

"(3) Indian, Indian tribe, and tribal organization.--The terms 'Indian', 'Indian tribe', and 'tribal organization' have the meanings given such terms in subsections (d), (e), and

(l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(4) Institution of higher education.--The term 'institution of higher education' has the meaning given such term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

"(5) Native hawaiian and native hawaiian organization.--The terms 'Native Hawaiian' and 'Native Hawaiian organization' have the meanings given such terms in paragraphs (1) and (3), respectively, of section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912).

"(6) Tribally controlled community college.--The term 'tribally controlled community college' has the meaning given such term in section 2(a)(4) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(a)(4)).

"(7) Tribally controlled postsecondary vocational institution.--The term 'tribally controlled postsecondary vocational institution' means an institution of higher education that--

"(A) is formally controlled, or has been formally sanctioned or chartered, by the governing body of an Indian tribe or Indian tribes;

"(B) offers a technical degree or certificate granting program;

"(C) is governed by a board of directors or trustees, a majority of whom are Indians;

"(D) demonstrates adherence to stated goals, a philosophy, or a plan of operation, that fosters individual Indian economic and self-sufficiency opportunity, including programs that are appropriate to stated tribal goals of developing individual entrepreneurships and self-sustaining economic infrastructures on reservations;

"(E) has been in operation for at least 3 years;

"(F) holds accreditation with or is a candidate for accreditation by a nationally recognized accrediting authority for postsecondary vocational-technical education; and

"(G) enrolls the full-time equivalent of not less than 100 students, of whom a majority are Indians.

"(c) Program Authorized.--

"(1) In general.--From amounts reserved under section 101(a)(1)(A)(i), the Secretary shall make grants to Indian tribes, tribal organizations and Alaska Native entities to carry out the authorized programs described in subsection (d), except that such terms shall not include secondary school programs in Bureau funded schools.

"(2) Special authority relating to secondary schools operated or supported by the bureau of Indian affairs.--An Indian tribe, a tribal organization, or an Alaska Native entity, that receives funds through a grant made or contract entered into under paragraph (1) may use the funds to provide assistance to a secondary school operated or supported by the Bureau of Indian Affairs to enable such school to carry out vocational-technical education programs.

"(d) Authorized Programs.--Funds made available under this section shall be used to carry out vocational-technical education programs consistent with the purposes of this Act.

"(e) Grant Application.--In order to receive a grant under this section an entity described in subsection (c) shall submit an application to the Secretary and shall include an assurance that such entity shall comply with the requirements of this Act.

"(f) Special Consideration.--The Secretary, in making grants under subsection (c), shall give special consideration to--

"(1) grants which involve, coordinate with, or encourage tribal economic development plans; and

"(2) applications from tribally controlled community colleges which--

"(A) are accredited or are candidates for accreditation by a nationally recognized accreditation organization as an institution of postsecondary vocational-technical education; or

"(B) operate vocational-technical education programs that are accredited or are candidates for accreditation by a nationally recognized accreditation organization and issue certificates for completion of vocational-technical education programs.

"(g) Consolidation of Funds.--Each entity receiving assistance under this section may consolidate such assistance with assistance received from related programs in accordance with the provisions of the Indian

Employment, Training and Related Services Demonstration Act of 1992 (25 U.S.C 3401 et seq.).

"(h) Nonduplicative and Nonexclusive Services.--Nothing in this section shall be construed--

"(1) to limit the eligibility of any entity described in subsection (c) to participate in any activity offered by a State or local entity under this title; or

"(2) to preclude or discourage any agreement, between any entity described in subsection (c) and any State or local entity, to facilitate the provision of services by such entity or to the population served by such entity.

"(i) Native Hawaiian Programs.--From the funds reserved pursuant to section 101(a)(1)(A)(ii), the Secretary is directed to enter into contracts with organizations primarily serving and representing Native Hawaiian Programs which are recognized by the Governor of the State of Hawaii to plan, conduct, and administer programs, or portions thereof, which are authorized by and consistent with the provisions of this section for the benefit of Native Hawaiian Programs.".

SEC. 104. TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL INSTITUTIONS.

Part A of the Act is amended by adding at the end the following:

"SEC. 104. TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL TECHNICAL EDUCATION PROGRAMS

"(a) Grants Authorized.--The Secretary shall, subject to the availability of appropriations, make grants pursuant to this section to tribally controlled postsecondary vocational-technical institutions to provide basic support for the education and training of Indian students.

"(b) Use of Grants.--Amounts made available under grants made pursuant to this section shall be used for vocational-technical education programs.

"(c) Eligible Grant Recipients.--To be eligible for assistance under this section a tribally controlled postsecondary vocational-technical institution shall--

"(1) be governed by a board of directors or trustees, a majority of whom are Indians;

"(2) have been in operation for at least 3 years;

"(3) hold accreditation with or be a candidate for accreditation by a nationally recognized accrediting authority for postsecondary vocational-technical education; and

"(4) enroll the full-time equivalent of not less than 100 students, of whom a majority are Indians.

"(d) Applications.--Any tribally controlled postsecondary vocational-technical institution that desires to receive a grant under this section shall submit an application to the Secretary in such manner and form as the Secretary may require.

"(e) Other Programs.--

"(1) In general.--Except as specifically provided in this Act, eligibility for assistance under this section shall not preclude any tribally controlled postsecondary vocational institution from receiving Federal financial assistance under any program authorized under the Higher Education Act of 1965 or any other applicable program for the benefit of institutions of higher education or vocational-technical education.

"(2) Prohibition on allocation of grant amount.--The amount of any grant for which tribally controlled postsecondary vocational-technical institutions are eligible under this subpart shall not be altered because of funds allocated to any such institution from funds appropriated under the Act of November 2, 1921.

"(3) Prohibition on contract denial.--No tribally controlled postsecondary vocational-technical institution for which an Indian tribe has designated a portion of the funds appropriated for the tribe from funds appropriated under the Act of November 2, 1921, may be denied a contract for such portion under the Indian Self-Determination and Education Assistance Act (except as provided in that Act), or denied appropriate contract support to administer such portion of the appropriated funds.

"(f) Definitions.--For the purposes of this section:

"(1) Indian.--The terms `Indian' and `Indian tribe' have the meanings given such terms in section 2 of the Tribally Controlled Community College Assistance Act of 1978.

"(2) Tribally controlled postsecondary vocational-technical institution.--The term "tribally controlled postsecondary vocational-technical institution" means an institution of higher education which is formally controlled, or has been formally sanctioned or chartered by the governing body of an Indian tribe or tribes which offers technical degrees or certificate granting programs.

"(3) Indian student count.--The term `Indian student count' means a number equal to the total number of Indian students enrolled in each tribally controlled vocational-technical institution, determined as follows:

"(A) The registrations of Indian students as in effect on October 1 of each year.

"(B) Credits or clock hours toward a certificate earned in classes offered during a summer term shall be counted toward the computation of the Indian student count in the succeeding fall term.

"(C) Credits or clock hours toward a certificate earned in classes during a summer term shall be counted toward the computation of the Indian student count if the institution at which the student is in attendance has established criteria for the admission of such student on the basis of the student's ability to benefit from the education or training offered. The institution shall be presumed to have established such criteria if the admission procedures for such studies include counseling or testing that measures the student's aptitude to successfully complete the course in which the student has enrolled. No credit earned by such student for purposes of obtaining a high school degree or its equivalent shall be counted toward the computation of the Indian student count.

"(D) Indian students earning credits in any continuing education program of a tribally controlled vocational-technical institution shall be included in determining the sum of all credit or clock hours.

"(E) Credits or clock hours earned in a continuing education program shall be converted to the basis that is in accordance with the institution's system for providing credit for participation in such programs.

"(g) Authorization of Appropriations.--There is authorized to be appropriated not more than $4,000,000 for fiscal year 1998 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out the provisions of this section.".

Part B--State Organizational and Planning Responsibilities

SEC. 111. STATE ADMINISTRATION.

Section 111 of this Act is amended--

(1) in subsection (a)(1)(A), by striking "pursuant to section 113(b)(8), section 116, and section 117";

(2) by striking subsection (a)(1)(B);

(3) in subsection (a)(1)(C), by striking "consultation with" and all that follows through the semicolon at the end of subsection (a)(1)(C) and inserting "consultation with the Governor and appropriate agencies, groups, and individuals, including business, industry and representatives of employees involved in the planning, administration, evaluation, and coordination of programs funded under this Act;"; and

(4) by striking subsections (b) through (g) and inserting the following:

"(b) List of Programs Assisted.--The State board shall make available to each Private Industry Council established under section 102 of the Job Training Partnership Act within the State a listing of all programs assisted under this Act.".

SEC. 112. STATE COUNCIL ON VOCATIONAL EDUCATION.

Section 112 of the Act is repealed.

SEC. 113. STATE APPLICATION.

Section 113 of the Act is amended--

(1) by redesignating such section as section 112;

(2) by striking "plan" in the section heading and inserting "application";

(3) by striking all that follows after "Secretary" in subsection (a)(1)(A) and inserting "an application in such manner and accompanied by such information as the Secretary may require but which, at a minimum, shall be for a 5-year period.";

(4) in subsection (a)--

(A) in paragraph (1)-by striking subparagraph (B);

(B) by striking paragraph (2) and inserting in lieu thereof the following:

"(2) The State board shall conduct public hearings in the State, after appropriate and sufficient notice, for the purpose of affording all segments of the public and interested organizations and groups an opportunity to present their views and make recommendations regarding the State application. A summary of such recommendations and the State board's response shall be included with the State application."; and

(B) by striking paragraph (3); and

(5) by striking subsections (b) and (c) and inserting the following:

"(b) Contents.--Each State application shall--

"(1) describe the vocational-technical education programs that will be carried out with funds received by the State under this Act, including a description of--

"(A) the secondary and postsecondary vocational-technical education programs to be carried out at the State level pursuant to section 201, including programs that will be carried out by the State to develop, improve, and expand access to quality, state-of-the-art technology in vocational-technical education programs;

"(B) the criteria that will be used by the State in approving applications of eligible recipients of funds under this Act; and

"(C) how such programs will prepare vocational-technical education students for opportunities in postsecondary education or entry into high skill, high wage jobs;

"(2) describe how the State will actively involve parents, teachers, local businesses (including small- and medium-sized businesses) and representatives of employees in the planning, development, and implementation of such vocational-technical education programs;

"(3) describe how funds received by the State through the allotment made under section 102 will be allocated among secondary school vocational-technical education, or postsecondary and adult vocational-technical education, or both, including the rationale for such allotment;

"(4) describe how the State will--

"(A) improve the academic and technical skills of students participating in vocational-technical education programs which includes strengthening the academic component of vocational-technical education programs through the integration of academics with vocational-technical education to ensure learning in the core academic subjects and provide students with strong experience and understanding of all aspects of the industry; and

"(B) ensure that students who participate in such vocational-technical education programs are taught to the same challenging academic proficiencies as are provided for all other students;

"(5) describe how the State will annually evaluate the effectiveness of such vocational-technical education programs and describe how the State is coordinating such programs to ensure nonduplication with other existing Federal programs;

"(6) identify the benchmarks that the State will use to measure the progress of the State, including a description of how such benchmarks will ensure continuous improvement for vocational-technical students in meeting such benchmarks;

"(7) describe how the State will--

"(A) provide vocational-technical education programs that lead to high skill, high wage careers for members of special populations, displaced homemakers, single parents, and single pregnant women; and

"(B) ensure that members of special populations meet State benchmarks established under section 114 and are prepared for postsecondary education, further learning, and high skill, high wage careers;

"(8) provide a financial audit of funds received under this Act; and

"(9) provide assurances that none of the funds expended under this Act will be used to acquire equipment (including computer software) in any instance in which such acquisition results in a direct financial benefit to any organization representing the interests of the purchasing entity or its employees or any affiliate of such an organization.

"(c) Amendments.--The State board may submit amendments to the State application, as necessary, during the 5-year period. Such amendments shall be submitted in accordance with section 113(c).".

SEC. 114. SUBMISSION OF STATE APPLICATION.

Section 114 of the Act is amended--

(1) by redesignating such section as section 113;

(2) by striking "State plan approval" in the section heading and inserting "submission of State application";

(3) by striking subsections (a) and (b); and

(4) by adding at the end the following:

"(a) Application.--Each State application shall be submitted to the Secretary by not later than May 1 preceding the beginning of the first fiscal year for which a State application is to be in effect.

"(b) Consultation.--The State board shall develop the portion of each State plan relating to the amount and uses of any funds proposed to be reserved for adult vocational-technical education, postsecondary vocational-technical education, tech-prep education, and secondary vocational-technical education after consultation with the State agency responsible for supervision of community colleges, technical institutes, or other 2-year postsecondary institutions primarily engaged in providing postsecondary vocational-technical education, and the State agency responsible for secondary education. If a State agency finds that a portion of the final State plan is objectionable, such agency shall file such objections with the State board. The State board shall respond to any objections of such agency in submitting such plan to the Secretary.

"(c) Application Submission.--A State application submitted to the Secretary under this section shall be approved by the Secretary unless the Secretary makes a written determination, within 90 days after receiving the application, that the application is in violation of the provisions of this Act.".

SEC. 115. ACCOUNTABILITY.

Part B of title I is amended by inserting after section 113, as redesignated, the following:

"SEC. 114. ACCOUNTABILITY.

"(a) Benchmarks.--To be eligible to receive an allotment under section 102, a State shall develop and identify in the State application submitted under section 113 proposed rigorous and quantifiable benchmarks to measure the statewide progress of the State, which shall include, at a minimum, measures, of--

"(1) attainment of challenging State academic proficiencies;

"(2) attainment of secondary school diplomas or general equivalency diplomas; and

"(3) placement in, retention in, and completion of, postsecondary education or advanced training, or placement and retention in military service or employment.

"(b) Program Improvement and Sanctions.--

"(1) State program improvement plan.--If a State fails to meet its State benchmarks as described in the report submitted under subsection (c), the State shall develop and implement a program improvement plan in consultation with appropriate agencies, individuals and organizations for the first program year succeeding the program year in which the State failed to meet its benchmarks in order to avoid a sanction as provided under paragraph (3).

"(2) Local improvement plan.--If an eligible recipient fails to meet its State benchmarks, the eligible recipient shall develop a program improvement plan with appropriate agencies, individuals, and organizations for the succeeding program year.

"(3) Sanctions.--

"(A) In general.--If a State fails to meet the State benchmarks required under subsection (a), and has not implemented an improvement plan as described in paragraph (1), has not demonstrated improvement in meeting its benchmarks, or has failed to meet its benchmarks for 2 or more consecutive years, the Secretary may reduce, after notice and opportunity for a hearing, or withhold from the State all, or a portion of, the State's allotment under this Act. The Secretary may waive the sanction due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the State.

"(B) Funds resulting from reduced allotments.--The amount of funds retained by the Secretary as a result of a reduction in an allotment made under paragraph (1) shall be redistributed to other States in accordance with section 101.

"(c) Report.--

"(1) In general.--

"(A) Information.--Each State that receives an allotment under section 102 shall annually prepare and submit to the Secretary a report on how the State is performing on State benchmarks that relate to vocational-technical education programs. In preparing the report, the State may include information on such additional vocational-technical education benchmarks as the State may establish.

"(B) Special populations.--The report submitted by the State in accordance with subparagraph (A) shall include a description of how special populations, displaced homemakers, single parents, and single pregnant women participating in vocational-technical education programs have met the vocational-technical education benchmarks established by the State.

"(2) Information dissemination.--The Secretary shall make the information contained in such reports available to the general public through publication and other appropriate methods which may include electronic communication.".

"(3) Benchmark performance.--Each local recipient shall make available to the general public information regarding how the local recipient is performing in regard to the State benchmarks.".

SEC. 116. PROGRAM EVALUATION.

Sections 115, 116, 117, and 118 of the Act are repealed.

TITLE II--BASIC STATE GRANTS FOR VOCATIONAL-TECHNICAL EDUCATION

SEC. 201. STATE PROGRAMS.

Section 201 of the Act is amended--

(1) in subsection (a), by striking "102(a)(3)" and inserting "102(a)(2)";

(2) by amending subsection (b) to read as follows:

"(b) Required Uses of Funds.--The programs described in subsection (a) shall include--

"(1) an assessment of the vocational-technical education programs carried out with funds under this Act that includes an assessment of how the needs of special populations are being met and how such programs will ensure that the benchmarks established under section 114 are being met;

"(2) developing, improving, or expanding the use of technology in vocational-technical education which may include:

"(A) training of vocational-technical education personnel to use State-of-the art technology, which may include distance learning,

"(B) providing vocational-technical education students with the academic and technical skills that lead to entry into the high technology and telecommunications field; or

"(C) encouraging schools to work with high tech industries to offer voluntary internships and mentoring programs;

"(3) professional development programs, including--

"(A) inservice and preservice training in state-of-the-art vocational-technical education programs and techniques; and

"(B) support of education programs for teachers of vocational-technical education in public schools and other public school personnel who are involved in the direct delivery of educational services to vocational education students to ensure that such teachers stay current with the needs, expectations, and methods of industry; and

"(4) support for vocational-technical education programs that improve the academic and technical skills of students participating in vocational-technical education programs by strengthening the academic component of such vocational-technical education programs through the integration of academics with vocational-technical education to ensure learning in the core academic subjects;"

(3) by amending subsection (c) to read as follows:

"(c) Permissible Uses of Funds.--The programs under subsection (a) may include--

"(1) technical support for eligible recipients;

"(2) support for tech-prep programs;

"(3) support for programs for single parents, displaced homemakers, single pregnant women, and individuals in nontraditional occupations that lead to high skill, high wage careers;

"(4) support for cooperative education;

"(5) support for vocational student organizations;

"(6) support for public charter schools operating secondary vocational-technical education programs;

"(7) support for vocational-technical education programs that offer experience in, and understanding of, all aspects of the industry for which students are preparing to enter;

"(8) support for family and consumer sciences programs."; and

"(9) support for corrections vocational-technical education."; and

(4) by adding after subsection (c) the following new subsection:

"(d) Restriction on Uses of Funds.--A State that receives funds under section 102(a)(2) may not use any of such funds to pay administrative costs.".

SEC. 202. SECONDARY, POSTSECONDARY, AND ADULT VOCATION-TECHNICAL EDUCATION PROGRAMS.

Part B of title II of the Act is amended to read as follows:

"PART B--SECONDARY, POSTSECONDARY, AND ADULT VOCATIONAL-TECHNICAL EDUCATION PROGRAMS

"Subpart 1--Within-State Allocation

"SEC. 221. DISTRIBUTION OF FUNDS TO SECONDARY SCHOOL PROGRAMS.

"(a) General Rule.--Except as otherwise provided in this section and section 223, each State shall distribute the funds received under this Act and available in fiscal year 1998 for secondary school vocational-technical education to local educational agencies within the State as follows:

"(1) From 70 percent of such funds, each local educational agency shall be allocated an amount that bears the same relationship to such 70 percent as the amount such local educational agency was allocated under section 1124 or such section's predecessor authority of the Elementary and Secondary Education Act of 1965 in the preceding fiscal year bears to the total amount received under such section by local educational agencies in the State in such year.

"(2) From 20 percent of such funds, each local educational agency shall be allocated an amount that bears the same relationship to such 20 percent as the number of students with disabilities who have individualized education programs under section 614(d) of the Individuals with Disabilities Education Act who are served by such local educational agency in the preceding fiscal year bears to the total number of such students served by local educational agencies in the State in such year.

"(3) From 10 percent of such funds, each local educational agency shall be allocated an amount that bears the same relationship to such 10 percent as the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of such local educational agency in the preceding fiscal year bears to the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of all local educational agencies in the State in such year.

"(b) Allocation for Subsequent Fiscal Years.--

"(1) General rule.--Subject to paragraph (2), in fiscal year 1999, and the succeeding 3 fiscal years, each State shall distribute the funds available in any such fiscal year for secondary school vocational-technical education programs to local educational agencies within the State as follows:

"(A) 50 percent shall be allocated to such agencies in proportion to the number of individuals aged 15 to 19, inclusive, who reside in the school district served by such agency for the preceding fiscal year compared to the total number of such individuals who reside in the school districts served by all local educational agencies in the State for such preceding year.

"(B) 50 percent shall be allocated to such agencies in proportion to the number of individuals aged 15 through 19, inclusive, who reside in the school district served by such agency from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved for the fiscal year for which the determination is made compared to the number of such individuals in all the local educational agencies in the State.

"(2) Reallocation.--In any fiscal year in which a local educational agency does not meet the requirements of paragraph (2), the State shall reallocate such undistributed amounts to local educational agencies that meet the requirements of such paragraph in accordance with paragraph (1).

"(c) Waiver for More Equitable Distribution.--The Secretary may waive the application of subsection (b)(1) in the case of any State that submits to the Secretary an application for such a waiver that--

"(1) demonstrates that the formula described in subsection (b)(1) does not result in a distribution of funds to local educational agencies within the State that have the greatest economic need and that an alternative formula would result in such a distribution; and

"(2) includes a proposal for such an alternative formula.

"(d) Minimum Grant Amount.--

"(1) In general.--Except as provided in paragraphs (2), no local educational agency shall be eligible for a grant under this part unless the amount allocated to such agency under subsection (a) is not less than $7,500. A local educational agency may enter into a consortium with other local educational agencies for purposes of meeting the minimum allocation requirement of this paragraph.

"(2) Waiver.--The State shall waive the application of paragraph (1) in any case in which the local educational agency--

"(A)(i) is located in a rural, sparsely populated area, or

"(ii) is a public charter school operating secondary vocational-technical education programs; and

"(B) demonstrates that the agency is unable to enter into a consortium for purposes of providing services under this part.

"(3) Redistribution.--Any amounts that are not allocated by reason of paragraph (1) or paragraph (2) shall be redistributed to local educational agencies that meet the requirements of paragraph (1) or (2) in accordance with the provisions of this section.

"(e) Limited Jurisdiction Agencies.--

"(1) In general.--In applying the provisions of subsection (b), no State receiving assistance under this Act shall allocate funds to a local educational agency that serves only elementary schools, but shall distribute such funds to the local educational agency or regional educational agency that provides secondary school services to secondary school students in the same attendance area.

"(2) Secondary school jurisdiction.--The amount to be allocated under paragraph (1) to a local educational agency that has jurisdiction only over secondary schools shall be determined based on the number of students that were enrolled in such secondary schools in the previous year from the elementary schools involved.

"(f) Allocations to Area Vocational-Technical Education Schools and Educational Service Agencies.--

"(1) In general.--Each State shall distribute funds available for secondary school vocational-technical education programs to the appropriate area vocational-technical education school or educational service agency in any case in which the area vocational-technical education school or educational service agency and the local educational agency concerned--

"(A) have formed or will form a consortium for the purpose of receiving funds under this section; or

"(B) have entered into or will enter into a cooperative arrangement for such purpose.

"(2) Allocation basis.--If an area vocational-technical education school or educational service agency meets the requirements of paragraph (1), then the amount that would otherwise be distributed to the local educational agency shall be allocated to the area vocational-technical education school, the educational service agency, and the local educational agency based on each school's or entity's relative share of students who are attending vocational-technical education programs (based, if practicable, on the average enrollment for the prior 3 years).

"(3) Appeals procedure.--The State board shall establish an appeals procedure for resolution of any dispute arising between a local educational agency and an area vocational-technical education school or an educational service agency with respect to the allocation procedures described in this section, including the decision of a local educational agency to leave a consortium or terminate a cooperative arrangement.

"(g) Consortium Requirements.--

"(1) Alliance.--Any local educational agency receiving an allocation that is not sufficient to conduct a program which meets the requirements of section 225 is encouraged to--

"(A) form a consortium or enter into a cooperative agreement with an area vocational-technical education school or educational service agency offering programs that meet the requirements of section 225;

"(B) transfer such allocation to the area vocational-technical education school or educational service agency; and

"(C) are of sufficient size, scope, and quality as to be effective.

"(2) Funds to consortium.--Funds allocated to a consortium formed to meet the requirements of this paragraph shall be used only for purposes and programs that are mutually beneficial to all members of the consortium and can be used only for programs authorized under this Act. Such funds may not be reallocated to individual members of the consortium.

"(h) Data.--The Secretary shall collect information from States regarding the specific dollar allocations made available by the State for vocational-technical education programs under subsections (a) and (b) and how these are distributed to local educational agencies, area vocational-technical education schools, educational services agencies, and eligible institutions within the State in accordance with this section.

"SEC. 222. DISTRIBUTION OF FUNDS FOR POSTSECONDARY AND ADULT VOCATIONAL-TECHNICAL EDUCATION PROGRAMS.

"(a) Allocation.--

"(1) In general.--Except as provided in subsection (b) and section 223, each State shall distribute funds available in any fiscal year for postsecondary and adult vocational-technical education programs to eligible institutions or consortia of eligible institutions within the State.

"(2) Formula.--Each eligible institution or consortium of eligible institutions shall receive an amount that bears the same relationship to the amount of funds available under such section as the number of individuals who are Pell Grant recipients or recipients of assistance from the Bureau of Indian Affairs and are enrolled in programs meeting the requirements of section 225 offered by such institution or consortium in the preceding fiscal year bears to the number of such recipients enrolled in such programs within the State for such year.

"(3) Consortium requirements.--

"(A) In general.--In order for a consortium of eligible institutions described in paragraph (2) to receive assistance pursuant to such paragraph such consortium shall operate joint projects that--

"(i) provide services to all postsecondary institutions participating in the consortium; and

"(ii) are of sufficient size, scope, and quality as to be effective.

"(B) Funds to consortium.--Funds allocated to a consortium formed to meet the requirements of this section shall be used only for purposes and programs that are mutually beneficial to all members of the consortium and can be used only for programs authorized under this Act. Such funds may not be reallocated to individual members of the consortium for purposes or programs benefiting only one member of the consortium.

"(b) Waiver for More Equitable Distribution.--The Secretary may waive the application of subsection (a) in the case of any State that submits to the Secretary of Education an application for such a waiver that--

"(1) demonstrates that the formula described in subsection (a) does not result in a distribution of funds to the institutions or consortia within the State that have the highest numbers of economically disadvantaged individuals and that an alternative formula would result in such a distribution, and

"(2) includes a proposal for such an alternative formula.

"(c) Minimum Grant Amount.--

"(1) In general.--No funds provided to any institution or consortium under this section shall be for an amount that is less than $20,000.

"(2) Redistribution.--Any amounts that are not distributed by reason of paragraph (1) shall be redistributed to eligible institutions or consortia of eligible institutions in accordance with the provisions of this section.

"(d) Administrative Costs.--For the purposes of this section--

"(1) the term `eligible institution' means an institution of higher education as such term is defined in section 1201(a) of the Higher Education Act of 1965, a local educational agency serving adults, or an area vocational education school serving adults that offers or will offer a program that meets the requirements of section 225 and seeks to receive assistance under this part; and

"(2) the term `Pell Grant' means a recipient of financial aid under subpart 1 of part A of title IV of the Higher Education Act of 1965.

"SEC. 223. SPECIAL RULES FOR VOCATIONAL-TECHNICAL EDUCATION.

"(a) Special Rule for Minimal Allocation.--

"(1) General authority.--Notwithstanding the provisions of sections 221 and 222 and in order to make a more equitable distribution of funds for programs serving the areas of greatest economic need, for any program year for which a minimal amount is made available by a State for distribution under section 221 or 222, such State may distribute such minimal amount for such year--

"(A) on a competitive basis; or

"(B) through any alternative method determined by the State.

"(2) Minimal amount.--For purposes of this section, the term "minimal amount" means not more than 15 percent of the total amount made available for distribution under this part.

"(b) Redistribution.--

"(1) In general.--In any academic year that a local educational agency or eligible institution does not expend all of the amounts it is allocated for such year under section 221 or 222, such recipient shall return any unexpended amounts to the State to be reallocated under section 221 or 222, as appropriate.

"(2) Redistribution of amounts returned late in an academic year.--In any academic year in which amounts are returned to the State under section 221 or 222 and the State is unable to reallocate such amounts according to such sections in time for such amounts to be expended in such academic year, the State shall retain such amounts for distribution in combination with amounts provided under this title for the following academic year.

"(c)(1) Construction.--Nothing in section 221 or 222 shall be construed--

"(A) to prohibit a local educational agency (or a consortium thereof) that receives assistance under section 221, from working with an eligible recipient (or consortium thereof) that receives assistance under section 222, to carry out secondary school vocational-technical education programs in accordance with this title;

"(B) to prohibit an eligible recipient (or consortium thereof) that receives assistance under section 222, from working with a local educational agency (or consortium thereof) that receives assistance under section 221, to carry out postsecondary and adult vocational-technical education programs in accordance with this title; or

"(C) to require a charter school that is a local educational agency to jointly establish its eligibility unless the charter school is explicitly permitted to do so under the State's charter school statute.

For purposes of this section, the State board shall provide funds to charter schools that offer vocational-technical education programs that are public schools of the local educational agency in the same manner as it provides those funds to other schools of the local educational agency. Such program within a charter school shall be of sufficient size, scope, and quality as to be effective.

"SEC. 224. LOCAL APPLICATION FOR VOCATIONAL-TECHNICAL EDUCATION PROGRAMS.

"(a) Application Required.--Any eligible recipient desiring financial assistance under this part shall, according to requirements established by the State board, submit an application to the State board. Such application shall cover the same period of time as the period of time applicable to the State application submitted under section 112.

"(b) Contents.--The State board shall determine requirements for local applications, except that each application shall--

"(1) describe how the vocational-technical education programs required under section 225(b) will be carried out with funds received under this part;

"(2) describe how students participating in vocational-technical education programs carried out with funds under this Act will reach the State benchmarks as established under section 114;

"(3) describe how the eligible recipient will--

"(A) improve the academic and technical skills of students participating in vocational-technical education programs by strengthening the academic component of such programs through the integration of academics with vocational-technical education programs through a coherent sequence of courses to ensure learning in the core academic subjects; and

"(B) ensure that students who participate in such vocational-technical education programs are taught to the same challenging academic proficiencies as are provided for all other students;

"(4) describe how parents, students, teachers, business and representatives of employees are involved in the development and implementation of vocational-technical education programs assisted under this Act; and

"(5) provide assurances that the eligible recipient will provide a vocational-technical education program that is of such size, scope, and quality as to bring about improvement in the quality of vocational-technical education programs.

"SEC. 225. LOCAL USES OF FUNDS.

"(a) General Authority.--Each eligible recipient that receives a grant under this part shall use such funds to improve vocational-technical education programs.

"(b) Requirements for Uses of Funds.--Funds made available under a grant under this part shall be used to provide vocational-technical education programs that--

"(1) strengthen the academic and technical skills of students participating in vocational-technical education programs by strengthening the academic component of such programs through the integration of academics with vocational-technical education programs through a coherent sequence of courses to ensure learning in the core academic subjects;

"(2) developing, improving, or expanding the use of technology in vocational-technical education which may include:

"(A) training of vocational-technical education personnel to use State-of-the art technology, which may include distance learning,

"(B) providing vocational-technical education students with the academic and technical skills that lead to entry into the high technology and telecommunications field; or

"(C) encouraging schools to work with high tech industries to offer voluntary internships and mentoring programs;

"(3) professional development programs including--

"(A) inservice training in state-of-the-art vocational-technical education programs and techniques; and

"(B) support of education programs for teachers of vocational-technical education in public schools and other public school personnel who are involved in the direct delivery of educational services to vocational education students to ensure that such teachers stay current with the needs, expectations, and methods of industry.

"(4) support for vocational-technical education programs that improve the academic and technical skills of students participating in vocational-technical education programs by strengthening the academic component of such vocational-technical education programs through the integration of academics with vocational-technical education to ensure learning in the core academic subjects;"

"(5) provide an assessment of the vocational-technical education programs carried out with funds under this Act, including an assessment of how the needs of special populations are being met, and how such programs will ensure that the benchmarks established under section 114 are being met.

"(c) Permissible Activities.--The vocational-technical education programs described in subsection (b) may be used for programs such as--

"(1) establishing agreements between secondary and postsecondary vocational-technical education programs in order to provide postsecondary education and training opportunities for students participating in such vocational-technical programs, such as tech-prep programs;

"(2) involving parents, business, and representatives of employees in the design and implementation of vocational-technical education programs authorized under this Act;

"(3) providing career guidance and counseling;

"(4) work related experience, such as internship, cooperative education, school-based enterprises, entrepreneurship, and job shadowing that are related to vocational-technical education programs;

"(5) programs for single parents, displaced homemakers, and single pregnant women,

"(6) local education and business partnerships;

"(7) vocational student organizations;

"(8) mentoring, and support services;

"(9) leasing, purchasing, or upgrading of equipment; and

"(10) establishment of effective programs and procedures to enable vocational-technical education program participants and their parents to participate directly in decisions that influence the programs, including providing information and assistance for informed effective participation.

"(d) Administrative Costs.--Each eligible recipient receiving funds under this part shall not use more than 2 percent of the funds for administrative costs associated with the administration of the grant.".

SEC. 203. REPEAL OF PART C.

Part C of title II is repealed.

TITLE III--RESEARCH AND DEVELOPMENT

SEC. 301. EVALUATION; RESEARCH, DEMONSTRATIONS AND DISSEMINATION.

(a) Heading.--The heading for title III of the Act is amended to read as follows:

"TITLE III--RESEARCH AND DEVELOPMENT

(b) Part A.--Part A of title III is amended to read as follows:

"PART A--RESEARCH AND DEVELOPMENT

"SEC. 301. EVALUATION; RESEARCH; DEMONSTRATIONS; AND DISSEMINATION.

"(a) Single Plan.--

"(1) In general.--The Secretary shall develop a single plan for evaluation and assessment, research, demonstrations, and dissemination with regard to the vocational-technical education programs assisted under this Act.

"(2) Plan.--Such plan shall--

"(A) identify the vocational-technical education programs the Secretary will carry out under this section;

"(B) describe how the Secretary will evaluate such vocational-technical education programs in accordance with subsection (b); and

"(C) include such other information as the Secretary determines to be appropriate.

"(b) Evaluation and Assessment.--

"(1) In general.--From amounts made available under paragraph (3), the Secretary shall provide for the conduct of an independent evaluation and assessment of vocational-technical education programs under this Act through studies and analyses conducted independently through grants and contracts awarded on a competitive basis.

"(2) Contents.--Such evaluation and assessment of vocational-technical education programs shall include descriptions of--

"(A) the extent to which State, local, and tribal entities have developed, implemented, or improved State and local vocational-technical education programs;

"(B) the degree to which the expenditures at the Federal, State, local, and tribal levels address improvement in vocational-technical education programs;

"(C) the extent to which vocational-technical education programs succeed in preparing individuals participating in such programs for entry into postsecondary education, further learning, or high skill, high wage careers; and

"(D) the effect of State benchmarks, performance measures, and other measures of accountability on the delivery of vocational-technical education programs.

"(c) Clearinghouse.--

"(1) In general.--The Secretary may collect and disseminate information from States regarding State efforts to meet State benchmarks described in section 114.

"(2) Report.--The Secretary shall gather any information collected pursuant to paragraph (1) and submit a report to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

"(d) Research.--

"(1) In general.--The Secretary shall award grants, on a competitive basis, to an institution of higher education, a public or private organization or agency, or a consortium of such institutions, organizations, or agencies to establish a national research center or centers--

"(A) to carry out research for the purpose of developing, improving, and identifying the most successful methods for successfully addressing the education, employment, and training needs of participants in vocational-technical education programs;

"(B) to carry out research to increase the effectiveness and improve the implementation of vocational-technical education programs, including conducting research and development and studies providing longitudinal information or formative evaluation with respect to vocational-technical education programs;

"(C) to carry out such other programs as the Secretary determines to be appropriate to achieve the purposes of this Act.

"(2) Summary.--The Secretary shall provide an annual report summarizing the evaluations and assessments described in subsection (b), and the research conducted pursuant to this subsection, and the findings of such evaluations and assessments, and research, to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

"(e) Demonstrations and Dissemination.--

"(1) Authority.--

"(A) The Secretary is authorized to carry out demonstration vocational-technical education programs, to replicate model vocational-technical education programs, to disseminate best practices information, and to provide technical assistance upon request of a State, for the purposes of developing, improving, and identifying the most successful methods and techniques for providing the vocational-technical education programs assisted under this Act.

"(B)(i) The Secretary shall carry out a demonstration partnership project involving a four-year, accredited postsecondary institution, in cooperation with local public education organizations, volunteer groups, and private sector business participants to provide program support, and facilities for education, training, tutoring, counseling, employment preparation, specific skills training in emerging and established professions, retraining of military medical personnel, retraining of individuals displaced by corporate or military restructuring, migrant workers, and other individuals who otherwise would not have access to such services, through multi-site, multi-State distance learning technologies.

"(ii) Such program may be carried out directly or through grants, contracts, cooperative agreements, or through the national center or centers.

"(4) Authorization.--There are authorized to be appropriated such sums for fiscal year 1998 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out part A of this Act.

"(f) Definition.--As used in this section, the term `institution of higher education' has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).".

SEC. 302. REPEALS.

Parts B, D, E, and F of title IV of the Act are repealed.

SEC. 303. VOCATIONAL-TECHNICAL EDUCATION AND OCCUPATIONAL INFORMATION DATA SYSTEMS.

(a) In General.--Part C of title IV is amended--

(1) by striking the part heading and inserting the following:

"PART B--VOCATIONAL-TECHNICAL EDUCATION INFORMATION;

(2) by redesignating sections 421 through 424 as sections 311 through 314, respectively.

(3) by amending subsection (e) of section 312, as redesignated under paragraph (2), to read as follows:

"(e) There are authorized to be appropriated for each of fiscal years 1998 through 2002 such sums as may be necessary to carry out this part."; and

(4) in section 311(a)(1), as redesignated in subsection (a)(2), is amended by striking "421" and inserting "311".

SEC. 304. AUTHORIZATION OF APPROPRIATIONS.

Part B of title III, as redesignated under section 303, is amended by adding at the end the following:

"SEC. 315. AUTHORIZATION OF APPROPRIATIONS

"There are authorized to be appropriated for this part such sums as may be necessary for fiscal year 1998 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

SEC. 305. TECH-PREP EDUCATION.

Part B of title III is amended to read as follows:

"PART C--TECH-PREP EDUCATION".

"SEC. 321. TECH-PREP EDUCATION.

"(a) Program Authorized.--The State board, in accordance with the provisions of this part, shall award grants on a competitive basis or on the basis of a formula determined by the State board, for tech-prep education programs to consortia.

"(b) General Authority.--Each grant recipient shall use amounts provided under the grant to develop and operate a 4 year tech-prep education program.

"(c) Contents of Program.--Any such program shall--

"(1) be carried out under an articulation agreement between the participants in the consortium;

"(2) consist of the 2 or 4 years of secondary school preceding graduation and 2 years of higher education, or an apprenticeship program of at least 2 years following secondary instruction, with a common core of required proficiency in mathematics, science, communications, and technologies designed to lead to an associate degree or postsecondary certificate in a specific career field;

"(3) include the development of tech-prep education program components appropriate to the needs of the consortium participants;

"(4) include in-service training for teachers that--

"(A) is designed to train vocational-technical teachers to effectively implement tech-prep education programs;

"(B) provides for joint training for teachers in the tech-prep consortium; and

"(C) may provide such training in weekend, evening, and summer sessions, institutes, or workshops;

"(5) include training programs for counselors designed to enable counselors to more effectively--

"(A) provide information to students regarding tech-prep education programs;

"(B) support student progress in completing such programs; and

"(C) provide information on related employment opportunities;

"(6) provide equal access to the full range of technical preparation programs to individuals who are members of special populations, including the development of tech-prep education program services appropriate to the needs of such individuals; and

"(7) provide for preparatory services that assist participants in such programs.

"(d) Additional Authorized Activities.--Each such program may--

"(1) provide for the acquisition of tech-prep education program equipment; and

"(2) acquire technical assistance from State or local entities that have successfully designed, established and operated tech-prep programs.

"SEC. 322. APPLICATIONS.

"(a) In General.--Each consortium that desires to receive a grant under this part shall submit an application to the State board, as appropriate, at such time and in such manner as the State board shall prescribe.

"(b) Plan.--Each application submitted under this section shall contain a 5-year plan for the development and implementation of programs under this part.

"(c) Approval.--The State board shall approve applications based on their potential to create an effective tech-prep education program as provided for in this section.

"(d) Special Consideration.--The State board, as appropriate, shall give special consideration to applications which--

"(1) provide for effective employment placement activities or transfer of students to 4-year baccalaureate degree programs;

"(2) are developed in consultation with business, industry, institutions of higher education, and representatives of employees;

"(3) address effectively the issues of dropout prevention and reentry and the needs of special populations

"SEC. 323. REPORT.

"Each State that receives a grant under this part shall annually prepare and submit to the Secretary a report on the effectiveness of their Tech-Prep programs, including how competitive grants were awarded within the State.

"SEC. 324. ALLOTMENT.

"The Secretary shall allot funds under this part in each fiscal year in the same manner as funds are allotted under section 101(a)(2).

"SEC. 325. AUTHORIZATION.

"(a) In General.--From amounts made available under section 3(a), 10 percent shall be used to carry out this part for fiscal year 1998 and for each of the 4 succeeding fiscal years.

"(b) Minimum Amount.--No State shall receive a grant of less than $200,000 under this part in any fiscal year.".

TITLE IV--GENERAL PROVISIONS

SEC. 401. GENERAL PROVISIONS.

Title V of the Act is amended to read as follows:

"TITLE IV--GENERAL PROVISIONS

"PART A--FEDERAL ADMINISTRATIVE PROVISIONS

"SEC. 401. PAYMENTS.

"The Secretary shall pay from its allotment under section 101 to each State for any fiscal year for which the State has a State application submitted in accordance with section 113 (including any amendment to such application) the Federal share of the costs of carrying out the State plan.

"SEC. 402. FISCAL REQUIREMENTS.

"(a) Supplement Not Supplant.--Funds received under this Act to supplement, not supplant, the amount of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for vocational-technical education programs.

"(b) Maintenance of Effort.--

"(1) Determination.--

"(A) In general.--Except as provided in subparagraphs (B) and (C), no payments shall be made under this title for any program year to a State for vocational-technical education programs unless the Secretary of Education determines that the fiscal effort per student or the aggregate expenditures of such State for vocational-technical programs for the fiscal year preceding the fiscal year for which the determination is made, equaled or exceeded such effort or expenditures for vocational-technical education programs, for the second program year preceding the fiscal year for which the determination is made.

"(B) Computation.--In computing the fiscal effort or aggregate expenditures pursuant to subparagraph (A), the Secretary of Education shall exclude capital expenditures, special one-time project costs, similar windfalls, and the cost of pilot programs.

"(C) Decrease in federal support.--If the amount made available for vocational-technical education programs under this Act for a fiscal year is less than the amount made available for vocational-technical education programs under this Act for the preceding fiscal year, then the fiscal effort per student or the aggregate expenditures of a State required by subparagraph (B) for such preceding fiscal year shall be decreased by the same percentage as the percentage decrease in the amount so made available.

"(2) Waiver.--The Secretary may waive the requirements of paragraph (1) (with respect to not more than 5 percent of expenditures required for the preceding fiscal year by any State) for 1 program year only, after making a determination that such waiver would be equitable due to exceptional or uncontrollable circumstances affecting the ability of the State to meet such requirements, such as a natural disaster or an unforeseen and precipitous decline in financial resources. No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort or aggregate expenditures required under this paragraph for years subsequent to the year covered by such waiver. The fiscal effort or aggregate expenditures for the subsequent years shall be computed on the basis of the level of funding that would, but for such waiver, have been required.

"SEC. 403. AUTHORITY TO MAKE PAYMENTS.

"Any authority to make payments or to enter into contracts under this Act shall be available only to such extent or in such amounts as are provided in advance appropriation Acts.

"SEC. 404. NATIONAL AND STATE FUNDING.

"Nothing in this Act shall be construed to permit, allow, encourage, or authorize any Federal control over any aspect of any private, religious, or home school, whether or not a home school is treated as a private school or home school under State law. This section shall not be construed to bar private, religious, or home schools from participation in programs or services under the Act.

"SEC. 405. FREEDOM TO CHOOSE.

"None of the funds made available under this Act shall be used to--

"(1) require any individual to choose or pursue a specific career path or major;

"(2) compel any individual to enter into a specific course of study which requires as a condition or completion, attainment of federally-funded or endorsed industry recognized skills or standards; or

"(3) require any individuals to meet or obtain federally-funded or endorsed industry recognized skills, certificates, or standards.

"SEC. 406. FEDERAL LAWS GUARANTEEING CIVIL RIGHTS.

"Nothing in this Act shall be construed to be inconsistent with applicable Federal laws guaranteeing civil rights.

"SEC. 407. AUTHORIZATION OF SECRETARY.

"For the purposes of increasing and expanding the use of technology in vocational-technical education instruction, including the training of vocational-technical education personnel as provided in title II, the Secretary is authorized to receive funds collected by the Federal Government from fees for the use of property, rights-of-way, and easements under the control of Federal departments and agencies for the placement of telecommunications services that are dependent, in whole or in part, upon the utilization of general spectrum rights for the transmission or reception of such services.

"PART B--STATE ADMINISTRATIVE PROVISIONS

"SEC. 411. JOINT FUNDING.

"(a) General Authority.--Funds made available to States under this Act may be used to provide additional funds under an applicable program if--

"(1) such program otherwise meets the requirements of this Act and the requirements of the applicable program;

"(2) such program serves the same individuals that are served under this Act;

"(3) such program provides services in a coordinated manner with services provided under this Act; and

"(4) such funds would be used to supplement, and not supplant, funds provided from non-Federal sources.

"(b) Applicable Programs.--For the purposes of this section, the term `applicable program' means any program under any of the following provisions of law:

"(1) Section 123, title II, and title III of the Job Training Partnership Act.

"(2) The Wagner-Peyser Act.

"(c) Use of Funds as Matching Funds.--For the purposes of this section, the term `additional funds' does not include the use of funds as matching funds.

"SEC. 412. PROHIBITION ON USE OF FUNDS TO INDUCE OUT-OF-STATE RELOCATION OF BUSINESSES.

"No funds provided under this Act shall be used for the purpose of directly providing incentives or inducements to an employer to relocate a business enterprise from one State to another State if such relocation would result in a reduction in the number of jobs available in the State where the business enterprise is located before such incentives or inducements are offered.

"SEC. 413. STATE ADMINISTRATIVE COSTS.

"For each fiscal year for which a State receives assistance under this Act, the State shall provide from non-Federal sources for costs the State incurs for administration of programs under this Act an amount that is not less than the amount provided by the State from non-Federal sources for such costs for the preceding fiscal year.

"SEC. 414. LIMITATION ON FEDERAL REGULATIONS.

"The Secretary may issue regulations under this Act only to the extent necessary to administer and ensure compliance with the specific requirements of this Act.

"SEC. 415. STUDENT ASSISTANCE AND OTHER FEDERAL PROGRAMS.

"(a) Attendance Costs Not Treated as Income or Resources.--The portion of any student financial assistance received under this Act that is made available for attendance costs described in subsection (b) shall not be considered as income or resources in determining eligibility for assistance under any other program funded in whole or in part with Federal funds.

"(b) Attendance Costs.--The attendance costs described in this subsection are--

"(1) tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study; and

"(2) an allowance for books, supplies, transportation, dependent care, and miscellaneous personal expenses for a student attending the institution on at least a half-time basis, as determined by the institution.

"(c) Costs of Vocational-Technical Education Services.--Funds made available under title II may be used to pay for the costs of vocational-technical education services required in an individualized education plan developed pursuant to sections 612(4) and 614(a)(5) of the Individuals with Disabilities Education Act, in a manner consistent with section 614(a)(1) of such Act, and services necessary to meet the requirements of section 504 of the Rehabilitation Act of 1973 with respect to ensuring equal access to vocational-technical education.".

SEC. 402. REPEAL OF SMITH-HUGHES VOCATIONAL EDUCATION ACT.

The Act of February 23, 1917 (39 Stat. 929; 20 U.S.C. 11) (commonly known as the "Smith-Hughes Vocational Education Act") is repealed.

SEC. 403. EFFECTIVE DATE.

Except as otherwise provided, the repeals and amendments made by this Act shall take effect on the date of the enactment of the Carl D. Perkins Vocational-Technical Education Act Amendments of 1997.

SEC. 404. DEFINITIONS.

Title IV of the Act is amended by adding after part B the following:

"PART C--DEFINITIONS

"SEC. 421. DEFINITIONS.

"Except as otherwise specified in this Act, as used in this Act:

"(1) Administration.--The term 'administration' means programs of a State necessary for the proper and efficient performance of its duties under this Act, including supervision, but does not include curriculum development programs, personnel development, or research programs.

"(2) All aspects of the industry.--The term 'all aspects of the industry' means strong experience in, and comprehensive understanding of, the industry that individuals are preparing to enter.

"(3) Area vocational-technical education school.--The term 'area vocational-technical education school' means--

"(A) a specialized secondary school used exclusively or principally for the provision of vocational-technical education to individuals who are available for study in preparation for entering the labor market;

"(B) the department of a secondary school exclusively or principally used for providing vocational-technical education in not fewer than 5 different occupational fields to individuals who are available for study in preparation for entering the labor market;

"(C) a technical institute or vocational-technical education school used exclusively or principally for the provision of vocational-technical education to individuals who have completed or left secondary school and who are available for study in preparation for entering the labor market, if the institute or school admits as regular students both individuals who have completed secondary school and individuals who have left secondary school; or

"(D) the department or division of a junior college, or community college, that operates under the policies of the State board and that provides vocational-technical education in not fewer than 5 different occupational fields leading to immediate employment but not necessarily leading to a baccalaureate degree, if the department or division admits as regular students both individuals who have completed secondary school and individuals who have left secondary school.

"(4) Cooperative education.--The term `cooperative education' means a method of instruction of education for individuals who, through written cooperative arrangements between a school and employers, receive instruction, including required academic courses and related instruction, by alternation of study in school with a job in any occupational field, which alternation shall be planned and supervised by the school and employer so that each contributes to the education and employability of the individual, and may include an arrangement in which work periods and school attendance may be on alternate half days, full days, weeks, or other periods of time in fulfilling the cooperative program.

"(5) Displaced homemaker.--The term `displaced homemaker' means an individual who--

"(A) has worked primarily without remuneration to care for a home and family, and for that reason has diminished marketable skills; or

"(B) is a parent whose youngest dependent child will become ineligible to receive assistance under title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 not later than 2 years after the date of which the parent applies for assistance under this title.

"(6) Educational service agency.--The term `educational service agency' means a regional public multiservice agency authorized by State statute to develop and manage a service or program and provide the service or program to a local educational agency.

"(7) Eligible recipient.--The term `eligible recipient' means a local educational agency, an area vocational-technical education school, an educational service agency, an institution of higher education (as such term is defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))), and a consortium of such entities.

"(8) Local educational agency.--The term `local educational agency' has the meaning given such term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

"(9) Outlying area.--The term `outlying area' means the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

"(10) Representatives of employees.--The term `representatives of employees' means--

"(A) individuals who have been elected by organizations, associations, or a network of similar institutions to represent the economic interests of employees at a significant segment of workplaces; or

"(B) individuals from organizations, associations, or a network of similar institutions, with expertise to represent, or experience representing, the interests of employees with respect to vocational-technical education.

"(11) Secondary school.--The term `secondary school' has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

"(12) Special populations.--The term "special populations" means individuals with disabilities, economically disadvantaged individuals, individuals of limited English proficiency, and individuals participating in nontraditional training and employment.

"(13) Secretary.--The term `Secretary' means the Secretary of Education.

"(14) State.--The term `State' means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

"(15) Tech-prep program.--The term `tech-prep program' means a program of study that--

"(A) combines at least 2 years of secondary education (as determined under State law) and 2 years of postsecondary education in a nonduplicative sequential course of study;

"(B) strengthens the applied academic component of vocational-technical education through the integration of academic and vocational-technical instruction;

"(C) provides technical preparation in an area such as engineering technology, applied science, a mechanical, industrial, or practical art or trade, agriculture, a health occupation, business, or applied economics;

"(D) builds student competence in mathematics, science, and communications through applied academics in a coherent sequence of courses; and

"(E) leads to an associate degree or a certificate in a specific career field and to high skill, high wage employment or further education.

"(16) Vocational-technical education.--The term `vocational-technical education' means organized educational programs that--

"(A) offer a sequence of courses that provide individuals with the academic knowledge and skills the individuals need to prepare for further education and careers in current or emerging employment sectors; and

"(B) include competency-based applied learning that contributes to the academic knowledge, higher-order reasoning and problem-solving skills, work attitudes, general employability skills, and occupation-specific skills, of an individual.

"(17) Vocational student organization.--The term `vocational student organization' means an organization, for individuals enrolled in programs of vocational-technical education programs, that engages in programs as an integral part of the instructional component of such programs, which organization may have State and national units.".

Voc Ed Reauthorizati

11. Education Week

July 9, 1997 ***House Moves on Voc. Ed. Bill More Palatable to the Right***

By Joetta L. Sack
Washington

Hoping to produce better-trained workers while strengthening academics, Congress is once again mulling a bill to reauthorize the nation's main vocational education law.

But members of the House committee charged with writing their chamber's vocational education bill have not reached a bipartisan agreement on how to revamp the law, leaving some educators to speculate that a reauthorization may elude lawmakers for the second year in a row.

Amendments to the Carl D. Perkins Vocational-Technical Education Act died last year when the House and the Senate could not reach a compromise on legislative language. ("Philosophical Disputes, Time Pressures Stall Bills To Revamp Voc.-Ed. System," Jan. 31, 1996.)

The Senate has begun writing its bill, but sponsors have not yet set a time line for introducing it, according to a spokesman for the Senate Labor and Human Resources Committee, which will hold hearings on the bill this fall.

In the meantime, House sponsors have introduced a bill, HR 1853, that conservatives —who objected to last year's version —say is palatable. But the bill reworks the state funding formula for vocational education, a provision that is causing discord among House members and school officials in the areas they represent.

Without Democratic support, the bill might not pass the House, said Kim Kubiak, the executive director of the National Association of State Directors of Vocational Technical Education Consortium, based here. "There's a very real possibility we may not get a reauthorization again this year," she said.

Formula Proposal

The bill narrowly passed the House Education and the Workforce Committee last month by a party-line vote of 20-18. Many Democrats expressed their opposition to a new funding formula that would begin in fiscal 1999. It would base 50 percent of funding on a state's population ages 15 to 19 and 50 percent on the population ages 19 to 24, with a poverty factor based on a state's per capita income.

The current formula allocates 70 percent of vocational aid based on a state's number of students in Title I, 20 percent for disabled students receiving services under the Individuals with Disabilities Education Act, and 10 percent on general population. Last year's Perkins act appropriation was $1.1 billion; this year's bill would authorize $1.3 billion.

Under the proposed model, many urban districts with large numbers of Title I students would lose large amounts of money and would have to cut programs, Democrats maintained.

Republicans, however, countered that nearly every state would come out a winner, and some large cities would see substantial gains. New York City, for instance, would see its federal allotment increase from $14.4 million to $15.8 million, according to GOP figures.

Furthering an overarching drive by House Republicans to deliver more federal dollars to school classrooms, states would lose part of their set-asides for statewide programs. Under the House legislation, at least 90 percent of federal aid would be passed to local districts, and states would retain only 2 percent for administration. The remaining 8 percent would go for statewide programs. States currently receive a 25 percent set-aside.

On the academic front, the House bill would require states to create benchmarks to track vocational education students' progress toward state academic-proficiency standards, high school diplomas, and further education. ("Hearing Seeks To Put Focus on Integrating Academics, Voc. Ed.," May 28, 1997.)

"It is absolutely critical that our young people receive a high-quality education whether they are bound for college, the military, further education or training, or directly into the workforce," Rep. Frank Riggs, R-Calif., said at a recent committee vote.

By requiring states to set their own benchmarks, the House bill would ensure strong academics without interfering with curriculum, said Kris Ardizzone, the executive director of the Eagle Forum, a conservative watchdog group based in St. Louis. The group, headed by Phyllis Schlafly, attacked last year's House bill because it would have channeled funds for adult education programs through the vocational education bill, which they feared would combine workplace training with programs designed for secondary school students.

This year's bill has made improvements, Ms. Ardizzone said, by eliminating some bureaucracy and state mandates, such as a sex equity coordinator, and has alleviated fears that vocational education's teaching methods would encroach on basic academic classes. "We feel that it does move vocational education in the right direction," she said. "We're somewhat more pleased" with HR 1853.

But HR 1853 does not go far enough in some areas, according to Ms. Kubiak. For instance, her group, which represents state directors of vocational education, would like the legislation to encourage more partnerships between schools and businesses.■

Tax package

U.S. DEPARTMENT OF EDUCATION

FAX TRANSMISSION

Office of the Secretary
600 Independence Avenue, SW
Washington, D.C. 20202
Office: (202) 401-8450
Fax: (202) 401-0596

TO: Bill Kincaid

DATE: July 15, 1997

FAX: (202) 456 - ~~7928~~ 7028

PAGES: 10 , including cover.

FROM: Susan Frost
Senior Advisor to the Secretary

SUBJECT: Letter to College Presidents

COMMENTS:

FYI: This letter was sent from Secretary Riley to 10,000 college and university presidents and heads of proprietary schools. It should be hitting their desks now. Also, Secretary Riley met with the Presidents of the six higher education associations plus NASFAA (financial aid administrators) this morning to reinforce his letter to their members and our message on the 20% credit. As a result of these efforts, we believe we will see increased activity on these issues.

If you have any questions or comments, please call me at 401-8450.

Thank you.

UNITED STATES DEPARTMENT OF EDUCATION

THE SECRETARY

July 1997

Dear College President:

I am writing to inform you of President Clinton's tax cut proposal which he unveiled on Monday, June 30. As the President's proposals were being considered over the past six months, you and your colleagues made suggestions for improvement, and the President responded with changes that have made his plan stronger and more progressive: the tax credit is no longer offset by Pell Grants; the grade requirement was replaced with "satisfactory academic progress," making it consistent with the Federal student aid programs; and now the deduction has been shifted to a more progressive 20 percent tax credit. With your help, we have a solid plan that offers opportunity in the rapidly changing economy by helping people improve their education and upgrade their skills throughout their lives.

In the next few weeks, Congress will consider three versions of tax cuts. The President's proposal provides two-thirds of the tax cuts to the middle sixty percent of families -- more than twice the share that the House and Senate plans provide for these families. If we act now, we can secure these important tax cuts for working families.

For higher education, the difference is clear. The President's plan will provide help to <u>seven million more</u> students in 1998 than the House and Senate passed plans, because the President's plan is the <u>only</u> one on the table that offers tax relief for families paying tuition out-of-pocket for:

- Juniors and seniors
- Part-time students seeking to improve or acquire job skills
- Graduate students

The President's proposal helps these students by providing a 20 percent tuition credit on expenses up to $5,000 initially and $10,000 beginning in 2001. At a time when older workers need to improve their education and upgrade their skills, it is critical that the education tax cuts promote lifelong learning.

The President's proposal makes the 13th and 14th years of education -- the first two years of college -- universally available by providing a modified two-year $1,500 HOPE Scholarship. First and second-year students would receive a 100% credit for the first $1,000 of tuition and fees plus 50% of the next $1,000. A student going to a typical community college with tuition of $1,200 would receive a $1,100 credit under the President's proposal. After 2002, the tax credit would increase to $2,000: 100% of the first $1,500 and 50% of the next $1,000.

President Clinton's tax plan incorporates other higher education provisions that have broad-based bipartisan support, including: a permanent extension of the tax preference for employer-provided undergraduate and graduate education; a student loan interest deduction; and tax exclusion for community service and income-contingent loan forgiveness. The President's proposal does not, however, phase-out subsection 117(d) which currently allows the exclusion of qualified tuition reduction plans from income, nor does it terminate TIAA-CREF's federal income-tax exempt status.

Upon releasing his proposal, the President said, "Education is how we will meet the challenges of the 21st century, and the core of our tax cut must be to help families pay for education. The tax cuts can do for our children what the G.I. Bill did for Americans a generation ago." We appreciate your interest in and support of the President's proposal to make college more affordable.

Yours sincerely,

Dick Riley

Richard W. Riley

PRESIDENT CLINTON'S HIGHER EDUCATION TAX CUTS

The President's Hope Scholarship and Tuition Tax Credit Help 12.6 Million Students -- 7 Million More Students than Congressional Versions

SUMMARY DOCUMENTS

July 8, 1997

JUL. 15. 1997 2:01PM OFFICE OF SECRETARY NO. 2111 P. 4

President Clinton's Higher Education Tax Cut Proposal
A Fact Sheet

President Clinton's HOPE Scholarship and 20% Tuition Tax Credit help 12.6 million students and their families — *seven million* more students than under Congressional versions. While all of the plans encourage saving and help with student loan payments, only the Administration's proposal provides tax credits to working families who use their earnings to pay for college beyond the first two years, for part-time study to improve or acquire job skills, or graduate study. The higher education tax cut plans passed by the House and Senate are limited in their scope, providing some of the largest benefits to higher-income families who can afford to save large amounts.

- ***HOPE Scholarship.*** A maximum $1,500 credit for the first two years of postsecondary education. Students attending on at least a half-time basis would receive a 100% credit for the first $1,000 of tuition and required fees and a 50% credit for up to the next $1,000. For example, a student attending a community college with tuition costs of $1,400 would receive a $1,200 HOPE Scholarship. Scholarships would be phased out for joint filers with income between $80,000 and $100,000, and for single filers with income between $50,000 and $70,000. After 2002, the HOPE Scholarship increases to a 100% credit for the first $1,500 and a 50% credit for the next $1,000 of tuition and required fees.

- ***20% Tuition Tax Credit.*** Undergraduates beyond their first two years, graduate students, plus working people going to school part-time to improve or acquire job skills, would benefit from a 20% tax credit on the first $5,000 of tuition and required fees through the year 2000 and after 2000 a 20% tax credit on the first $10,000 of tuition and required fees. The credit would be phased out at the same income levels as HOPE.

- ***Education and Retirement Savings Accounts.*** Allows penalty-free IRA withdrawals for undergraduate, post-secondary vocational, and graduate education expenses. Additionally, taxpayers eligible for the child tax credit are given the opportunity to deposit their child tax credit plus an additional $500, in a Kidsave Account for the child's education, first-time home purchase or the taxpayer's retirement. Earnings would accumulate tax-free in the Kidsave Account and no taxes would be due upon withdrawal for an approved purpose.

- ***Employer-Provided Education Benefits.*** Extends permanently Section 127 of the tax code, which allows people to exclude $5,250 of employer-provided education benefits from their taxable income. Eligibility for graduate education benefits would be reinstated retroactively back to June 30, 1996, with both undergraduate and graduate education eligible in the future. Additionally, a 10% employer credit for small business training is included. This credit would apply to payments made to third parties to cover expenses of education for employees under employer-provided education assistance programs. The credit would be available to employers with average annual gross receipts of $10 million or less for the prior three years.

- ***Student Loan Interest Deduction.*** Allows a deduction for up to $2,500 per year of interest on education loans for expenses of students enrolled at an institution of higher education. The deduction would be allowed for the first 60 months interest is due on a loan. The deduction would phase out for taxpayers making between $45,000 and $65,000 ($65,000 and $85,000 for married taxpayers filing jointly). This deduction would be available even if the taxpayer does not itemize deductions.

- ***Community Service Loan Forgiveness.*** In most circumstances, a loan that is forgiven is considered income and is therefore taxable. To encourage programs that offer loan forgiveness to borrowers who take lower-paying, community-service jobs, loan amounts forgiven through programs run by nonprofit tax-exempt charitable or educational institutions, and loans forgiven under the Direct Loan Program's income-contingent repayment program, would be excluded from income. Currently, the exclusion generally covers only certain forgiveness arrangements between students and government entities.

- ***Repeal Cap on Tax Exempt Bond Issuance by Colleges and Universities.*** Repeals the $150 million bond cap that affects private higher education institutions and certain other charitable institutions. The repeal would apply to tax-exempt bonds issued by these institutions to finance new capital expenditures.

A Comparison: Higher Education Tax Cuts

HOPE Scholarship and Tuition Tax Credit	President	House	Senate
Students in their first two years of college, attending at least half-time	100% tax credit on the first $1,000 of tuition and required fees, 50% on next $1,000. After 2002, a 100% credit on first $1,500 and 50% on the next $1,000.	50% tax credit on up to $3,000 on tuition, required fees, books, and supplies.	75% tax credit on up to $2,000 for community colleges; 50% tax credit on up to $3,000 for other institutions for tuition, required fees, books, and supplies.
Students beyond the first two years, enrolled at least half-time	20% tax credit on up to $5,000 in 1998 and up to $10,000 starting in 2001.	None	None
Graduate students	20% tax credit on up to $5,000; up to $10,000 starting in 2001.	None	None
Part-time (less than half-time) students seeking to acquire or improve job skills	20% tax credit on up to $5,000; up to $10,000 starting in 2001.	None	None
5-year revenue cost:	$35 billion	$22 billion	$20 billion
Estimated number of beneficiaries in 1999	12.6 million	5.6 million	5.6 million

Other provisions	Administration	House	Senate
Employer-provided education assistance (Section 127)	Permanent extension for graduate and undergraduate courses. 10% Small Business Credit.	Six month extension, only for undergraduates.	Permanent extension for graduate and undergraduate courses.
Student loan interest deduction	Up to $2,500 may be deducted each year for five years of repayment.	None	Up to $2,500 may be deducted each year for five years of repayment.

19. LRP Publications
July 23, 1997

House Approves Revamped Voc Ed Law

WASHINGTON, July 23 — The House voted late Tuesday to overhaul the nation's main vocational education law by driving money and authority for the program to state and local education agencies.

The Carl D. Perkins Vocational-Technical Education Act Amendments of 1997, H.R. 1853, went to the House floor in the afternoon. Members approved the measure just after 8 p.m. by a vote of 414 to 12.

The bill is intended to increase opportunities for parents, students, teachers and businesses to have a role in vocational-technical programs at the local level, bill crafters said. It would send 90 percent of grants to the local level, up from the 75 percent required in current law. It also asks states to tell feds how they plan to improve students' academic and technical skills.

The main point of contention with the bill was the in-state funding formula. Republicans wanted to funnel more money for rural schools, but Democrats were concerned that doing so too abruptly would cause funding woes for urban districts.

The new plan would use the current law formula for 1998. In 1999 and 2000, any funding above the 1997 level would be distributed by a formula based 60 percent on poverty and 40 percent on population. The formula would then move to one based 65 percent on poverty and 35 percent on population for 2001, and return to a 60-40 split weighted toward poverty in 2002.

The agreement also changes the minimum state grant amount from $7,500 to $10,000 for secondary vocational programs, and from $20,000 to $35,000 for postsecondary programs. Democrats and Education Department officials were concerned that making the minimum grant much lower would spread the money too thin.

Members narrowly defeated a plan 214-207 by Rep. Patsy Mink, D-Hawaii, to restore the requirement that each state have a sex equity coordinator and that states funding programs that serve single parents, single pregnant women and displaced homemakers continue to do so at the same level as fiscal 1997.

Lawmakers agreed to a proposal by Rep. Ron Klink, D-Pa., to require states to make accountability reports. The reports would be submitted to the secretary of education, and would become available to the public. They later defeated a plan by Rep. Joseph P. Kennedy II, D-Mass., to allow local education agencies to use grant money for a workforce development coordinator who would work with local businesses to develop vocational education curriculum.

THREE FOR THREE

Passage of the measure comes on the heels of last Tuesday's passage of the Juvenile Crime Control and Delinquency Prevention Act by a vote of 413-14, and the June signing by President Clinton of the Individuals with Disabilities Education Act (IDEA). The bills seem to signal a shift to less adversarial debates on federal education policy. All three were crafted under Rep. Frank Riggs, chairman of the Early Childhood, Youth and Families Subcommittee.

"While some in Washington, D.C. seem pre-occupied with scoring political points, Republicans and Democrats on the education committee are putting partisanship aside to pass significant legislation that will benefit millions of children," Riggs said. "We have truly abided by the rule that 'politics must stop at the schoolhouse door.'"

A broad coalition of groups supported the measure as a whole, including the Family Research Council, Eagle Forum, National Center for Home Education, American Vocational Association, State Directors of Vocational-Technical Education, National Education Association, the National School Boards Association and the American Association of Community Colleges.■

NATIONAL GOVERNORS' ASSOCIATION

Bob Miller
Governor of Nevada
Chairman

George V. Voinovich
Governor of Ohio
Vice Chairman

Raymond C. Scheppach
Executive Director

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

Voc-ED/Welfare Reform

Facsimile Cover Sheet

NATIONAL GOVERNORS' ASSOCIATION

From:	**Susan Golonka**
Phone:	202-624-5967
Fax:	202-624-5313
TO:	Bruce Reed
FAX #:	456-7028
Date:	July 25
Pages including this cover page:	

Comments: Wanted to make sure you have our letter to conferees regarding welfare-related reconciliation issues

Susan

r/forms/faxcover

NATIONAL GOVERNORS' ASSOCIATION

NATIONAL CONFERENCE OF STATE LEGISLATURES

July 11, 1997

Dear Conferee:

As you work to resolve the differences between the House and Senate budget reconciliation bills, we are writing to share the views of the National Governors' Association (NGA) and the National Conference of State Legislatures (NCSL) on several issues related to welfare. We believe that these issues are important to the successful implementation of welfare reform.

Welfare-to-Work Grant. We are deeply troubled by the lack of consistency between the proposed Welfare-to-Work Grant and the implementation of welfare reform occurring in states. We urge you to support fundamental changes so that the funds can be used in the most effective and coordinated manner to support job placement, creation and retention for long-term welfare recipients. If current proposals are enacted and these funds are micromanaged and largely bypass the states, Congress will have missed a valuable opportunity to strengthen job possibilities for welfare recipients. We believe that modifications must be made to allow for flexibility in allocation and administration of these funds consistent with state welfare efforts.

For maximum efficiency, these funds must be administered closely with the new Temporary Assistance for Needy Families (TANF) work programs. This can only be accomplished if the preponderance of the funds are allocated to the states and complement our welfare reform initiatives. States then should have the ability to determine eligibility and direct funds to both rural and urban areas with the greatest needs.

We strongly oppose the federal government mandating the administrative structure the state must employ to direct and use these new funds. States must have the ability to designate the delivery system. In some states this may involve the workforce development system, in others it may be through the social services system. States should determine which delivery system is best. Both proposed House versions would permit states to channel these funds only to the Private Industry Councils (PICs). This may not be the appropriate structure in all states for serving low-skilled, long-term welfare clients.

We also oppose the House provision that would require an 80 percent maintenance-of-effort (MOE). For some states, the cost of increasing state expenditures to the 80 percent level will exceed the total amount of funds that they could receive under the new grant. Finally, NGA and NCSL are currently working with Department of Health and Human Services (HHS) on the criteria for the High Performance Bonus Fund in TANF; there is no need to dilute the limited welfare-to-work funds with a duplicative program.

Transfer of TANF funds. We strongly endorse a technical correction in the House bill that allows states to directly transfer up to 10 percent of a state's TANF grant into the Title XX Social Services Block Grant. This change corrects language in the Personal Responsibility and Work Opportunity Act that unintentionally required that a state transfer TANF dollars into the child care fund in order to transfer TANF dollars into Title XX.

Vocational education training. We strongly urge the deletion of provisions in the House reconciliation bill that would further restrict the number of adults in vocational educational activities or teen parents in school that could count toward meeting the work participation rate. The welfare law, as enacted, already limits participation in these activities to 20 percent of a state's TANF caseload. Most states have already adopted their welfare reform initiatives and have made decisions about the availability of these services based on this provision in the law.

The House Education and Workforce provision would limit this to 20 percent of those counting toward the work requirement. In FY 1997, in virtually every state this would be completely filled by teen parents who are mandated under the law to complete their high school education in order to receive benefits. This means that no adults in vocational education would count toward the work rate. The Ways and Means provision is slightly less restrictive, but this provision still imposes a significant limitation compared to current law. The welfare reform law, while emphasizing work, does give states flexibility to offer vocational educational training when appropriate to some individuals for a limited period. Further restrictions now, in mid-stream, would place states at risk of financial penalties and greatly limit the state flexibility and discretion that we believe is essential to successful state implementation of the TANF program.

Penalties. We strongly oppose and urge you to strike the provision in the Senate bill that restricts the Secretary's authority to determine appropriate penalties in the event a state fails to meet the work participation rate requirement. Under the Senate provision, the Secretary would have to impose the same penalty on a state that missed meeting the participation rate by just a few points as a state that failed to meet the rate by a wide margin. We believe the Secretary should have the authority to take into account a wide variety of circumstances that may affect a state's ability to meet the work rate and set penalties accordingly, as is currently permitted under the welfare law.

We also ask that conferees strike the provision in the House bill that would impose a new penalty on states that fail to reduce assistance for recipients who refuse to work. While states are implementing the sanction provision, we are concerned that the data collection and reporting that is necessary to verify state compliance would create an excessive administrative burden and new cost. We urge Congress to focus on positive program outcomes and delete these penalty provisions.

SSI state supplement. We support the provision in the House bill that would permit states to set their own state supplement levels for SSI payments. Even though states' entrance into this program was optional, current law locks states into continuing these supplemental benefits paid for with state-only dollars or risk severe penalties. We believe that states should have the flexibility to adjust payment levels given changing needs and budget demands. We urge you to reject the proposal to raise administrative fees charged to states by the federal government for administering this mandatory SSI state supplement.

Welfare reform technical corrections. We appreciate that the Senate bill incorporated most of the House-passed welfare reform technical corrections bill, HR 1048. We believe the goals of welfare reform will be furthered by many of the changes included in HR 1048 and trust that the final reconciliation bill will include the technical corrections.

We look forward to working with you on these provisions. If you or your staff need further information, please contact Susan Golonka at NGA (202) 624-5967 or Sheri Steisel at NCSL (202) 624-8693.

Sincerely,

John Engler

Governor John Engler
Co-lead Governor on Welfare

Michael E Box

Michael Box
House Chairman, Alabama
President, NCSL

Tom Carper

Governor Tom Carper
Co-lead Governor on Welfare

Richard Finan

Richard Finan
President of the Senate, Ohio
President-Elect, NCSL