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Job Training Reform: Legislation in the 105th Congress

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Summary

The Senate has passed the Workforce Investment Partnership Act of 1997 (the Senate version of H.R. 1385). This bill, like the House-passed H.R. 1385, the Employment, Training, and Literacy Enhancement Act of 1997 (H.R. 1385), is intended to consolidate and reform education and training programs. The focus of this report is on the job training provisions of the House and Senate-passed versions of H.R. 1385.

Overview

The 105th Congress is considering legislation to reform federal education and training programs to respond to criticism that the United States does not have a coherent federal training system but rather a fragmented and duplicative array of programs. The House passed the Employment, Training, and Literacy Act of 1997 (H.R. 1385).¹ This measure was introduced with bipartisan sponsorship (Representatives McKeon, Goodling, and Kildee), and was ordered reported with the support of the Clinton Administration. Many of the provisions in H.R. 1385 would amend the Job Training Partnership Act (JTPA), the country's chief legislation under which employment and training services are provided to low income youth and adults and to dislocated workers. (JTPA would be re-titled the Employment, Training, and Literacy Enhancement Act.) Other provisions would address adult education and vocational rehabilitation programs. A separate House-passed bill (H.R. 1853) would address vocational education.

¹ H.R. 1385 (McKeon) introduced April 30, 1997; referred to Committee on Education and the Workforce. Ordered reported (amended) April 30, 1997. Reported May 8, 1997 (H.Rept. 105-93). Passed House (amended) May 16, 1997 by a vote of 343 to 60. Passed Senate in lieu of S. 1186 May 5, 1998, by a vote of 91-7.

The Senate passed the Workforce Investment Partnership Act, originally introduced as S. 1186.² This measure was introduced September 17, 1997 with bipartisan sponsorship (Senators DeWine, Jeffords, Kennedy, and Wellstone). Like the House-passed bill, many of the provisions would address job training, although JTPA would be repealed (rather than amended) and replaced by Title III of this Act (Workforce Investment and Related Activities). Other provisions would address vocational education, adult education, and vocational rehabilitation programs. Table 1 shows the current legislation that is addressed by the House- and Senate passed versions of H.R. 1385. The focus of this report is on the job training provisions of these two versions.³

Table 1. Legislation Addressed by House- And Senate-Passed Versions of H.R. 1385

Legislation	House Version	Senate Version
Job Training Partnership Act	Amends	Repeals; replaces with Title III
Adult Education Act	Amends	Repeals; replaces with Title II
Carl Perkins Vocational and Applied Technical Education Act (vocational education)	Not addressed; reauthorized in H.R. 1853	Repeals; replaces with Title I
Rehabilitation Act of 1973 (vocational rehabilitation)	Amends	Amends
Wagner-Peyser Act (Employment Service) ⁴	Amends	Amends

² S. 1186 (DeWine) introduced September 17, 1997; referred to Committee on Labor and Human Resources. Ordered reported (amended) September 24, 1997. Reported October 15, 1997, (amended) (S.Rept. 105-109). The language of S. 1186, as amended, was inserted in H.R. 1385 on May 5, 1998.

³ For information on JTPA, see CRS Report 94-862, *The Job Training Partnership Act: A Compendium of Programs*, by Molly Forman. For information on legislative proposals on adult education, see CRS Report 97-534, *Adult Education and Literacy: Legislation in the 105th Congress*, by Paul M. Irwin. For information on legislative proposals on vocational education, see CRS Report 97-283, *Vocational Education: Legislation to Reauthorize the Carl D. Perkins Vocational and Applied Technology Education Act*, by Richard N. Apling. For information on legislative proposals on vocational rehabilitation, see CRS Report 94-224, *Rehabilitation Act: Major Programs, 105th Congress Legislation, and Funding*, by Carol O' Shaughnessy.

⁴ Both versions of H.R. 1385 would amend the Wagner-Peyser Act to more fully integrate employment services into the state's workforce system.

Major Job Training Features

Structure of State and Locally Administered Programs. Statewide decision making for workforce development would occur through a “collaborative process” under the House version or through a “statewide partnership” under the Senate version. In either case, participants would include the Governor, relevant state agencies, and representatives of parents, business, employees, education, locally-elected officials, and the state legislature, among others. Under the Senate version, a majority of participants would be from the business sector, as would the chairperson.

One responsibility of the “collaborative process” or the “statewide partnership” would be the development of the state plan. Under the House version, each state would be required to develop a single comprehensive state plan that provides policy guidance with respect to employment and training programs including the adult education and literacy program and programs authorized under the Wagner-Peyser Act. Under the Senate version, the partnership could either develop a plan for adult and dislocated worker employment and training activities and for youth activities authorized under Title III of the bill or a “unified plan” covering one or more programs authorized in the bill and one or more related programs. States submitting unified plans would not be required to submit any other plan to receive federal funds for the programs covered in the unified plan.

Under both versions, the Governor through either the collaborative process or the statewide partnership would designate local areas, referred to as workforce development areas in the House version and as workforce investment areas in the Senate version. These areas would be similar in structure to the service delivery areas established under JTPA. The collaborative process or the statewide partnership would also determine criteria for the establishment of local boards, referred to as local workforce development boards in the House version and as local workforce investment partnerships in the Senate version. These local boards or partnerships would be similar in function to the Private Industry Councils (PICs) established under JTPA, but would have broader responsibility for developing a local workforce development system. In addition, under the Senate version, the workforce investment partnership would appoint a youth partnership to develop the youth portion of the local plan, award grants to providers of youth activities, and to coordinate youth activities in the local area

State Administered Programs. Under JTPA, there are four state administered programs: adult training, summer youth employment and training, youth training, and economic dislocation and worker adjustment assistance (i.e., dislocated worker program), each with its own funding stream. Under both versions, the summer youth program would be eliminated as a separately funded program, but local areas would be required to provide summer employment opportunities under the new youth program. Separate funding streams would remain for adult training and dislocated worker training.

State and Local Allocations. Under both versions, allocations to states would be made in a manner similar to the way they are made under JTPA.⁵ Both would allocate

⁵ Differences from JTPA would be in the provisions related to small state minimums, and minimum and maximum allocations for all states.

funds to states for adult and youth training using the same JTPA three part formula based on substantial unemployment (over 6.5%), excess unemployment (over 4.5%) and poverty. They would also allocate funds to states for dislocated workers using the same JTPA three part formula based on unemployment, excess unemployment, and unemployment 15 weeks or longer.

JTPA mandates that states allocate funds to local areas using the same formulas used to allocate funds to the states. Under both versions, this would remain the case for not less than 70% of funds allocated to local areas. Under the House version, the remainder of the adult, youth, and dislocated worker funds allocated to local areas could be based on formulas developed through the state's "collaborative process." Under the Senate version, the remainder of the adult and youth funds allocated to local areas could be allocated based on formulas (developed through the statewide partnership) that take into account factors relating to excess poverty or excess unemployment in local areas.

Service Delivery. Under both versions, each local area's board or partnership would develop a "one-stop" system to provide individuals and employers a single point of access to employment and job training services. In the House version, this system is referred to as a "full service employment and training delivery system", and in the Senate version it is referred to as a "one-stop customer service delivery system." Under both versions, training services to adults would be available through the one-stops and would be provided by "eligible providers". Under the House version, adult training would be provided primarily through the use of vouchers, referred to in this bill as "skill grants."⁶ Under the Senate version, adult training would be provided primarily through "individual training accounts." The purpose of both skill grants and individual training accounts is to provide individuals with the opportunity to choose training courses and providers. Under the Senate version, no specific mechanism for payment (e.g. vouchers) is mandated. Under both versions, services to youth would be provided through grants to providers made on a competitive basis.

Youth Training. Under both versions, low income youth could receive services similar to those authorized currently under JTPA, such as tutoring and study skills training, alternative high school services, summer youth opportunities, and adult mentoring. Under the House version, of the funds allocated to the state for youth programs, the Governor could reserve not more than 25% for state activities (e.g., capacity building and technical assistance to local development boards).⁷ From the Governor's reserve, not less than 10% of the total allotment would be used for programs that serve out-of-school youth, leaving up to 15% of the total allotment for other state activities.

⁶ For information on vouchers, see: CRS Report 97-525. *Employment and Training: Using Vouchers to Provide Services*, by Ann Lordeman.

⁷ Under both versions, funds for state administrative costs would come from the amounts reserved for state activities under each of the three state funding streams, and could be not more than 5% of the total state allotment. Under the Senate version, the administrative funds from each of the funding streams could be pooled into one account for state administration.

The remainder of the funds would be allocated to the local workforce development areas.⁸ The local area would be required to give priority for youth activities to school dropouts and other hard-to-serve youth.

Under the Senate version, of the funds allocated to the state for youth programs, the Governor could reserve not more than 15% for state activities. The remainder of the funds would be allocated to the local workforce development areas, of which at least 50% would have to be spent on youth activities to out-of-school youth.⁹

Under the Senate version, if more than \$1 billion and less than \$1.25 billion was appropriated for youth activities, the Secretary of Labor would reserve the amount in excess of \$1 billion for a new youth opportunities grant program to increase the long-term employment of youth living in high poverty areas; youth activities for farmworkers; and a role model academy project to provide training and education in a residential setting using a military model. If \$1.25 billion or more was appropriated, the Secretary would reserve \$0.25 billion of the appropriation for these activities.

Adult Training. Under both versions, one set of services and one delivery system would be authorized for both “adults” and for “dislocated workers”, but funds would be appropriated separately for the two groups. (Under JTPA, there is one list of authorized services under the adult training program and another list under the dislocated worker program, and there could be separate delivery systems.) Services would include “core services” such as, job search assistance; “intensive services”, such as comprehensive and specialized assessments; and training including occupational training and on-the-job training.

Under both versions, the Governor could reserve not more than 15% of the funds appropriated to states for adult training for statewide activities. The remainder would be allocated to local areas. Under the House version, local areas would be required to give priority for receiving intensive services and training to welfare recipients and other low income individuals with multiple barriers to employment. Under the Senate version, priority for receiving training would be given to low income individuals if funds were limited in the local area. (Unlike current law, there would be no requirement under either version that at least ninety percent of individuals be “economically disadvantaged”.)

Of funds appropriated for services to dislocated workers, under both versions, the Secretary of Labor would reserve 20% to provide emergency assistance grants in the case of plant closures, mass layoffs, and disasters (as is the case in current law). Under the House version, of the funds allocated to the state for services to dislocated workers, the Governor could reserve up to 30% for state level activities. From the Governor’s reserve, not more than 10% of the total allotted to the state could be used for activities such as capacity building and technical assistance; not more than 5% could be used for state

⁸ Under the House version, not more than 10 percent of funds allocated to local areas under each of the funding streams could be used for administrative costs.

⁹ Under the Senate version, not more than 15% of funds allocated to local areas under each of the funding streams could be used for administrative costs. The administrative funds from each of the funding streams could be pooled into one account for local administration.

administration; and the remainder would be used for “rapid response” assistance. At least 70% of the state’s allotment would be allocated to the local workforce development areas.

Under the Senate version, of the funds allocated to the state for services to dislocated workers, the Governor could reserve not more than 15% for state level activities (e.g., capacity building and technical assistance), and not more than 25% for “rapid response” activities. At least 60% of the state’s allotment would be allocated to the local workforce development areas.

Performance Accountability. Major components of an accountability system for programs authorized under both versions would be indicators and levels of performance (referred to in the House version as “state benchmarks”, and in the Senate version as “state performance measures”); incentive grants to reward achievement; and sanctions in the form of reduced state allotments to penalize poor performance.

Federally Administered Programs. Both versions would continue most federally administered programs, including Job Corps, Native Americans, migrant and seasonal farmworkers, and veterans’ employment. Both bills would make relatively minor changes to these programs, except that the Senate version would make more extensive changes to Job Corps. Under the Job Corps program, the Senate version would, among other things: (1) require the Secretary to develop and implement a plan for assigning enrollees to Job Corps to help assure that youth are placed in centers closest to their homes; (2) require each center to have a business and community liaison; (3) require each center to have an industry council to recommend to the Secretary appropriate vocational training for the center; and (5) specify the areas in which the Secretary would establish performance measures and expected performance levels.

State Reforms. Under the House version, states would be allowed to continue certain job training reforms enacted by state statute before July 1, 1997 for a period of three years after the date of enactment. State reforms could be in areas such as reorganization or restructuring of job training agencies, programs, or delivery systems. Under the Senate version, a state that had enacted a statute prior to December 31, 1997 related to state councils, designation of service delivery areas, and sanctioning of local areas for poor performance would, in general, be allowed to continue operating under the state statute. Under both versions, the Secretary of Labor could waive a range of statutory and regulatory requirements. In addition, under the Senate version, states could request authority from the Secretary to waive certain statutory and regulatory requirements applicable to local areas. (This authority is generally referred to as “work- flex.”)

Authorization. Under the both versions, the authorization levels for programs would be for such sums as necessary. For the House version the authorization would be for each of the fiscal years 1999 through 2003; for the Senate version it would be for each of the fiscal years 1999 through 2004. The current authorization for most JTPA programs is also such sums as necessary. Most programs, however, are permanently authorized.