1996

Consolidated and Reformed Workforce Development and Literacy Act (1976): Report 01

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Motion by Mr. __________
(on Conferences' Staff Notes on H.R. 1617)

Mr. __________ moves that the staff recommendations be modified as follows:

Note 293a — SUBSTATE ALLOCATION OF AT-RISK YOUTH FUNDS

Modify the House staff offer relating to the formula allocating funds to local boards with the following amendment:

"Subsection__AT-RISK YOUTH SUBSTATE ALLOCATION.—

*(1) IN GENERAL.—Of the amounts to be allocated within the State to local workforce development boards to carry out at-risk youth activities—

*(A) 66 2/3 percent shall be allocated on the basis of the relative number of youth living in poverty within each workforce development area as compared to the total number of youth living in poverty in the State; and

*(B) 33 1/3 percent shall be allocated on the basis of the relative number of youth within each workforce development area as compared to the total number of youth living in the State.

*(2) DEFINITIONS.—

*(A) For purposes of paragraph (1)(A), the term "youth living in poverty" means an individual who:

(i) is not less than age 16 or more than age 21; and

(ii) is a member of a family (of one or more members) with an income below the poverty line (as annually determined by the Office of Management and Budget).

*(B) For purposes of paragraph (1)(B), the term youth means an individual who is not less than age 16 or more than age 21.".

YCHT1CONFERAMEND1SUBS.AMD
Motion by Mr. __________
(on Conferees' Staff Notes on H.R. 1617)

Mr. ________ moves that the staff recommendations be modified as follows:

Note 102 (relating to funding for summer youth)

At the end of the staff recommendation, insert the following:

"The Senate recedes with an amendment as follows."

"Subsection____. SUMMER EMPLOYMENT FOR AT-RISK YOUTH.--

(1) IN GENERAL.--From the amounts allocated to the States in any program
year that are available to carry out at-risk youth and flex account activities, the States,
in accordance with the requirements of paragraph (2), shall expend an amount to
provide a summer employment program for at-risk youth that is not less than $871
million.

(2) STATE SHARES.--In order to meet the requirements of paragraph (1), the
Secretaries shall determine, based on the relative share of each State of the funds
allocated under this Act pursuant to the formula provided in section _____, an amount
equal to the relative share for each State of $871 million. Each State shall expend,
from funds available to such State for at-risk youth and the flex account, not less than
the amount determined for such State pursuant to the preceding sentence to provide a
summer employment program for at-risk youth."
If we are interested in enacting job training reform legislation into law, and not just passing a bill, we need to address the concerns expressed in the President's letter. The President rightly pointed out that elected officials from our cities and counties must have responsibility for administering and overseeing local One-Stop Career Center and job training funds, through workforce development boards.

The proposed conference agreement completely undermines the locally-based job training system that was contained in the House-passed CAREERS Act. It represents a significant shift in authority from the local level of government that actually delivers the services, to the Governor.

Throughout the history of Federally-funded job training programs, local governments, together with the private sector, have been responsible for planning, administering and overseeing the programs. The Governors have had responsibility to ensure compliance with statutory requirements and to ensure corrective actions are taken where there are deficiencies in audits of performance. However, never before have they had authority to negotiate, and therefore limit, local duties and responsibilities.

The CAREERS Act passed by the House envisioned strong local role that provides workforce development boards in partnership with local elected officials programmatic and fiscal responsibility for workforce development programs operating in their areas. Let me quote from the Committee report:

"...local workforce development boards must have real authority, add real value to the employment and training enterprise....The Committee bill provides employers with this authority, purposely elevating the role of the workforce development boards over that currently provided to private industry councils."

The report touts that local employer-led boards will have the authority to: develop local workforce development plans, setting goals and objectives for their areas; select and monitor performance of local one-stop operators and program providers in the local system; design the local area's one-stop career center system...; and develop budgets and conduct oversight over the local system.

Let's see how the proposed conference agreement fulfills these commitments:

The agreement drops the House provision giving responsibility to the local board, with approval by the local elected official, to develop budgets for adult and youth training programs.
The agreement drops the House provision clearly giving oversight responsibility to the board in partnership with the local elected officials, substituting a weak requirement that boards negotiate these responsibilities with the Governor.

- This means in a State like California that the Governor will be negotiating with 50-plus boards over what their responsibilities should be.

- Moreover, it provides significant leverage to a Governor to limit the authority of local areas. Unless local areas reach agreement with the Governor, they will not be eligible for funds.

The agreement drops the House provision providing that the local board is to receive or disburse funds for adult training or at-risk youth programs, or designate a fiscal agent to do so.

- The agreement drops the authority for the local board to employ staff to help carry out its important responsibilities.

The effect of this agreement is to eviscerate a strong local role. I find this unacceptable.
IMPACT OF “SUCH SUMS” ON STATE ALLOCATIONS

A vote for “such sums as needed” is not only a vote for the House Budget Resolution and a level of resources far below what is needed for a comprehensive workforce development system, but is also a vote for much larger, devastating cuts in resources for most States.

In fact, every Republican conferee voted for this reduction last week on the House floor.

As shown in the attached table, some States would lose significant amounts of money in the long-term even if overall resources remained at the FY 1996 actual appropriations level, because of the change in formula allocations between current appropriations and the proposed bill.

For example, once the temporary 2% hold-harmless provision no longer applied, California would lose nearly $140 million, Louisiana $19.5 million, Mississippi $5 million, New Jersey $13.4 million, Pennsylvania $6.5 million, Texas $26.5 million and West Virginia $8.5 million.

Some States do win as a result of the formula change. For example:

-- Kansas gains nearly $6 million or 21 percent over the long-term from the formula change; and

-- Wisconsin gains nearly $16 million or 31 percent over the long-term.

State losses from a change in the formula would be significantly expanded with the adoption of the House Budget Resolution for FY 1997.

Under the FY 1997 Budget Resolution:

-- California loses almost $263 million or 43% relative to its 1996 appropriation, with nearly all of this loss concentrated in adult employment and training -- despite significant problems with worker dislocation, California would lose nearly $219 million or nearly 64% of its adult training money;
Pennsylvania loses over $48 million or almost 29% relative to its 1996 appropriation, with over $39 million of this loss or a reduction of 48% occurring in its current adult employment and training money.

A vote for "such sums" is a vote for reduced, inadequate resource levels and significant redistribution of these resources.
Workforce and Careers Development Act

Total State Funding
Proposed State Grant Formula (no 98%/102% Limit)
Compared to
Current* State Statutory Formula
(Dollars in 000's)

<table>
<thead>
<tr>
<th>State</th>
<th>FY 1996 Appropriation</th>
<th>FY 1996 Appropriation</th>
<th>% Diff</th>
<th>FY 1997 President's Request</th>
<th>% Diff</th>
</tr>
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<tr>
<td></td>
<td>FY 1996 w/ Current</td>
<td>FY 1996 w/ Proposed</td>
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<td>w/ Proposed</td>
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<tr>
<td></td>
<td>Formula</td>
<td>Formula vs Current</td>
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<td>vs Current</td>
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<td>(9,502)</td>
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<td>19,932</td>
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<td>33,675</td>
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<td>51.5%</td>
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<td>Oregon</td>
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<td>45.2%</td>
<td>6,613</td>
<td>66.5%</td>
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<td>(4,909)</td>
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<td>1,798</td>
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* Current Programs: JTPA Title II-A (Adult Training); JTPA Title II-B (Summer Youth); JTPA Title II-C (Youth Training); JTPA Title III (Dislocated Workers-Formula); Perkins (Basic/Tech-Prep); Adult Education.
## Workforce and Careers Development Act

### Adult Employment & Training

**Proposed State Grant Formula (no 98%/102% Limit)**

**Compared to**

**Current* State Statutory Formula**

(Dollars in 000's)

<table>
<thead>
<tr>
<th>State</th>
<th>FY 1996 Appropriation w/Current Formula</th>
<th>FY 1996 Appropriation w/Proposed Formula</th>
<th>% Diff</th>
<th>FY 1997 President's Request w/Proposed Formula</th>
<th>% Diff</th>
</tr>
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<td><strong>Total</strong></td>
<td>1,725,747</td>
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<td>(212,067) -12.3%</td>
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<tr>
<td>Alaska</td>
<td>5,614</td>
<td>(892) -15.9%</td>
<td>(201) -3.6%</td>
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<td>(6,123) -23.9%</td>
<td>(3,270) -12.8%</td>
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<td>Arkansas</td>
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<td>1,274 10.5%</td>
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<td>(151,436) -44.1%</td>
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<td>(3,348) -18.7%</td>
<td>(1,220) -6.8%</td>
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<td>2,043 61.0%</td>
<td>2,832 84.6%</td>
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<td>(19,981) -23.9%</td>
<td>(10,665) -12.8%</td>
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<td>31,577</td>
<td>2,701 8.6%</td>
<td>7,718 24.4%</td>
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<td>Hawaii</td>
<td>7,058</td>
<td>(465) -6.5%</td>
<td>510 7.2%</td>
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<td>9,926</td>
<td>676 11.4%</td>
<td>1,642 27.7%</td>
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<td>(326) -0.5%</td>
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<td>23,725</td>
<td>2,177 9.2%</td>
<td>5,968 25.2%</td>
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<td>Iowa</td>
<td>7,269</td>
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<td>6,975 65.7%</td>
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<td>9,913</td>
<td>1,303 13.1%</td>
<td>2,944 29.7%</td>
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<td>(650) -3.1%</td>
<td>2,319 11.1%</td>
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<tr>
<td>Louisiana</td>
<td>42,270</td>
<td>(18,339) -43.4%</td>
<td>(14,836) -35.1%</td>
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<td>9,381</td>
<td>(2,779) -29.6%</td>
<td>(1,813) -19.3%</td>
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* Current Programs: JTPA Title II-A (Adult Training); JTPA Title III (Dislocated Workers - Formula)

G\BLOCK\GRTCONFERENCE\TCOMP1.WO
Workforce and Careers Development Act

**At-Risk Youth**

Proposed State Grant Formula (no 98%/102% Limit)

Compared to

Current* State Statutory Formula

(Dollars in 000's)

<table>
<thead>
<tr>
<th>State</th>
<th>FY 1996 Appropriation with Current</th>
<th>FY 1996 Appropriation w/ Proposed Formula vs Current</th>
<th>% Diff</th>
<th>FY 1997 President's Request w/ Proposed Formula vs Current</th>
<th>% Diff</th>
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<td>Total</td>
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<tr>
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* Current Programs: JTPA Title II-B (Summer Youth); JTPA Title II-C (Youth Training)
TALKING POINTS ON DISLOCATED WORKERS

- If we are interested in enacting job training reform legislation into law, and not just passing a bill we can point to in our campaigns, we need to pay attention to the President's letter laying out what is an acceptable bill.

- One of the President's key issues is ensuring that we maintain our national commitment to dislocated workers by making sure they receive adequate funding -- not less than the $1.3 billion requested by the President in his FY 1997 budget.

- On Tuesday we discussed at length whether we should earmark funding for dislocated workers and it was stated by the Chair that we will protect dislocated workers with benchmarks.

- Benchmarks cannot do the job. Let me explain why.

  -- Benchmarks can be set as low as the States want.

  -- There is no minimum standard for the benchmarks.

  -- In fact, there is an incentive for States to set them low so the State will avoid sanctions and be eligible for incentive grants -- in effect a race to the bottom could occur.

  -- Thus, the benchmarks provide no assurance that the States will provide even a minimal level of service to dislocated workers.
SUMMER PROGRAM FOR AT-RISK YOUTH
Talking Points

- If we are interested in enacting job training legislation into law, and not just passing a bill, we need to address the concerns expressed in the President's letter. The President stated that the conference bill must ensure a priority for a summer jobs program and for sufficient funding, at a level consistent with the FY 1997 Budget.

- Currently, the proposed agreement would allow summer jobs as an authorized activity, but there is no requirement or assurance that these jobs will be provided.

- The summer jobs program provides jobs to large numbers of disadvantaged youth—over 500,000 each year—in every city and rural area in the country.

- Summer jobs are essential because for many disadvantaged youth this is their first experience in the labor market. Evaluations of the summer jobs program show that the program provides meaningful, structured, well-disciplined jobs for youth.

- The continuation of the program is critical for minority youth and inner-city youth. It is estimated that a third of the summer jobs held by black youth and a fourth held by Hispanic youth come from the Federal summer jobs program. Because such a significant proportion of inner-city youth are enrolled in the summer jobs program, the program also probably serves to reduce youth crime during the summer.

- The amendment I am proposing would require that States spend out of the amounts available to them for at-risk youth and flex account activities, an amount to provide a summer employment program for at-risk youth that is not less than $871 million—the level requested in the President's FY 1997 Budget.
TALKING POINTS ON CAREER GRANTS (VOUCHERS)

- If we are interested in enacting job training reform legislation into law, and not just passing a bill we can point to in our campaigns, we need to pay attention to the President’s letter laying out what is an acceptable bill.

- One of the President’s key issues is arming dislocated workers with sufficient information and purchasing power, through skill grants, to choose the training that is right for them.

- The offer on training vouchers that is being discussed would permit a State or local workforce development area to deliver training services for adults through the use of career grants.
  
  -- This permissive authority is permitted under current law.
  
  -- In fact, some dislocated worker programs already provide training through vouchers that are similar to career grants.
  
  -- Therefore, this proposal represents not "reform", but only the status quo.

- Second, the offer would require that a career grant pilot for dislocated workers be established in each State in order to measure the effectiveness of the use of career grants.
  
  -- This means that most participants entering training would continue to be limited to the vendors selected by their local service delivery area -- eliminating portability.
  
  -- Requiring each State to pilot test this approach is an inadequate response to the President’s letter. To properly evaluate the effectiveness of such an approach would require a scientific sample of only about 1,000 workers. So only 50,000 vouchers need be issued over three years to satisfy this amendment.
  
  -- Furthermore, pilots to test this approach are unnecessary; there is already ample evidence from the Trade Adjustment Assistance program, which uses an individual referral approach similar to that envisioned in career grants. Thousands of dislocated workers impacted by our trade policies have benefitted from this approach.
  
  -- Pilots are also unnecessary because the concept of skill or career grants was modeled after successful programs like the original G.I. Bill, where individuals
were given purchasing power in a broader market of education and skills training programs.

The original House language in CAREERS provided for ample flexibility for States. First, it provided for a three-year phase-in period for states to implement the career grant system for adults. Second, it provided for a number of exceptions which give local workforce development boards the ability to meet local conditions, including such instances as rural areas where there may be a limited range of providers, or where a community-based organization has a unique expertise in serving a special population.

The offer being considered does not respond to the President's concern that we put power into the hands of the dislocated worker rather than the program administrator and let the worker choose the training that best meets their needs, armed with information on the track records of training institutions.

Once again, we are reverting to the old way of doing business, letting bureaucrats choose the training courses and training providers, rather than empowering these workers to take responsibility for these decisions.

Because consumer information is tied to the use of vouchers, which can be limited to a pilot, most participants may not experience the benefits of high quality consumer information on the labor market, career and training options, and the performance of training institutions, as Mr. Sawyer so ably pointed out on Tuesday.
Setting authorization levels at "such sums as are needed" has traditionally been a good device, because it does not bind appropriations committees from setting appropriations at the level needed to achieve the purpose of the legislation.

In the present environment of falling budget appropriations, however, "such sums" is not an appropriate way to set authorization levels.

The House Budget Resolution for FY 1997 would reduce appropriations far below the level needed for an effective workforce development system.

I draw your attention to the attached table which shows that the House Budget Resolution for the programs to be covered under the proposed legislation is $3.2 billion or more than $1 billion below the actual appropriations for FY 1996 of $4.3 billion.

These cuts, however, could be much larger for different program categories because appropriations under current law do not require a flex account while the House Budget Resolution has to accommodate a 25% flex account.

To order to accommodate the 25% flex account, the resources targeted for the different program categories in the House Budget Resolution would be much smaller -- down 44% for adult training, 42% for out-of-school youth, 46% for vocational education, and 44% for adult education.

For employment and training programs, these cuts would be devastating for program participation, which would fall from 1.6 million persons in FY 1996 to 1.2 million in FY 1997 and would continue to fall over time because the House Resolution projects a constant resource level that does not increase with inflation.

In this climate, a vote for "such sums" would be a vote for the House Budget Resolution and for a totally inadequate resource level to ensure the development of a comprehensive workforce development system and the competitiveness of all American workers.

Moreover, "such sums" clearly is not responsive to the President's letter.
Therefore, I urge my colleagues to vote no to setting the authorization level at "such sums" and to support an authorization consistent with the priorities in the President's letter.
## ACTUAL FY 1996 APPROPRIATIONS VS. HOUSE BUDGET RESOLUTION FOR FY 1997

May 22, 1996  
Billions of Dollars  

<table>
<thead>
<tr>
<th></th>
<th>Actual FY 1996 Program Appropriations by Proposed Categories</th>
<th>House FY 1997 Budget Resolution By Proposed Categories</th>
<th>Senate Offer Allocations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Appropriations</td>
<td>$4.341</td>
<td>$3.204</td>
<td></td>
</tr>
<tr>
<td>National Activities</td>
<td>$0.489</td>
<td>$0.300</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Allocation to States</td>
<td>$3.853</td>
<td>$2.904</td>
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</tr>
<tr>
<td>Adult Training</td>
<td>$1.762</td>
<td>$1.016</td>
<td>35%</td>
</tr>
<tr>
<td>Out-of-School Youth</td>
<td>$0.752</td>
<td>$0.436</td>
<td>15%</td>
</tr>
<tr>
<td>In-School Youth</td>
<td>$1.080</td>
<td>$0.581</td>
<td>20%</td>
</tr>
<tr>
<td>Adult Education</td>
<td>$0.259</td>
<td>$0.145</td>
<td>5%</td>
</tr>
<tr>
<td>Flex Account</td>
<td>$0</td>
<td>$0.726</td>
<td>25%</td>
</tr>
<tr>
<td>School-to-Work</td>
<td>$0.350</td>
<td>$0.350</td>
<td></td>
</tr>
</tbody>
</table>
CORRECTING THE RECORD

The Governors' Letter: The Governors' letter referenced at Tuesday's meeting did not endorse the bill, conference notes or any specific provisions before this Conference. It talked about process -- the need to get a bill, and a bi-partisan one at that -- not the contents of the final product. In fact, in their most recent policy positions on this legislation, the Governors expressed concern about proposed resource reductions to education, employment and training programs -- the very issue which the minority raised on Tuesday.

Administration Involvement in the Conference: The fact is that the Administration was systematically excluded from all Conference meetings. On a few occasions, the Departments of Labor and Education were asked to supply technical assistance -- but not to articulate the rationale for the Administration's positions or to negotiate specific provisions. Thus, any claim that the product before us is one that the Administration has played a part in is just plain FALSE.

Democratic Staff Involvement: A similar distortion was apparent in the majority's claim that our staffs have been discussing this bill for seven months. In fact, the bi-partisan meetings of the conferees' staff have all been held within the last 30 days. Perhaps the confusion stems from the fact that at earlier meetings of the majority there was so much disagreement that the members THOUGHT the meetings were bi-partisan!

Local Summer Jobs Programs: A member argued about the important role that the Governor of California played in establishing benchmarks that contributed to a much improved summer jobs program in San Diego. The fact is that the Governor has not established performance benchmarks for the summer program and has relaxed the single requirement that local areas expend 80 percent of their summer jobs money. The improvements have come about due to the efforts of the local elected official and the Private Industry Council to link both public and private summer jobs programs with local school-to-work activities.

Safeguarding Dislocated Workers: The chair indicated that dislocated workers would be safeguarded through the setting of benchmarks. The fact is that the benchmark can’t do the job. Benchmarks can be set as low as a Governor wants since there is no minimum standard. There also is an incentive to set the benchmark low so the State will avoid sanctions and receive an incentive grant. Thus there is no guarantee of a minimum resource level to provide dislocated workers the reemployment services and training services they need to find new jobs.

Continuing School-to-Work Implementation Grants: The Chair made a statement that “there is no doubt in my mind that many Governors who have used federal grants to put school-to-work programs in place will continue them.” But the conference notes eliminate the limited provision that governors be required to use their flex funds for this purpose. Just what funds does the chair propose Governors use for this purpose?
AMENDMENT TO ESTABLISH AUTHORIZATION LEVEL AT $6.0 BILLION AND REDUCE THE FLEX ACCOUNT

Given the need to build a comprehensive workforce development system to serve all Americans, we must establish an authorization level for this bill that will provide adequate national investments in job training and education.

If we serious about producing a bill the President can sign, it is imperative that the bill authorize spending for the consolidated programs at a level sufficient to at least meet the priorities laid out in the President's FY 1997 budget and his letter to this conference.

The President's priorities can be achieved with an authorization level of $6.0 billion if the flex account in the Senate offer is reduced from 25% to 10%, with this 15% allocated one-third to adult training (35% to 40%), one-third to out-of-school youth (15% to 20%) and one-third to in-school youth (20% to 24%) and adult education (5% to 6%).

The authorization level of $6.0 billion is about $660 million higher than the President's FY 1997 budget request primarily to provide a flex account of $540 million that the Governor can allocate to different activities, such as the training and education of welfare recipients and incumbent workers, without reducing funding for current activities.

In the absence of providing appropriate guidance in authorization language, appropriations are likely to be much lower than needed as evidenced by the recent FY 1997 Budget Resolution passed by the House, setting funding for the consolidated programs at about $3.2 billion, or $1.1 billion below FY 1996 appropriation levels and $2.1 billion below the President's request.

The House level of $3.2 billion is totally inadequate for achieving two of the President's primary objectives -- assuring no less than $1.3 billion for dislocated workers and providing $1 billion for at-risk youth.

Assuming $300 million for national activities, consistent with both the House and Senate bills, a total of $2.9 billion would be allocated to the states with 35% earmarked for adult training and 15% for at-risk youth.
The $3.2 billion level therefore would earmark only $1.0 billion for all adult training, including the training of low-income adults, so that the President’s goal for dislocated workers would be impossible to attain.

In contrast, an authorization level of $6.0 billion with an amended 40% allocation for adult training would earmark $2.2 billion for adult training, so that the President’s goal of $1.3 billion for dislocated workers could be achieved and an additional $900 million would be assured for low-income adults. The availability of adequate resources for low-income adults would continue 30 years of bipartisan government policy of assuring training funds for deserving, low-income workers.

The consequences of failing to set an authorization level of $6.0 billion would be particularly serious for dislocated workers, those who have been in the workforce for years and find their security uprooted by the globalization of the economy or the impact of technology.

Therefore, we urge your support for this amendment to establish an authorization level of $6.0 billion and to reduce the flex account to 10% of the monies allocated to the States. A vote against this amendment is a vote against the development of a comprehensive workforce development system and a vote against ensuring the competitiveness of all American workers.
($6 billion authorization for FY 1998 and reduce flex-account)

Motion by Mr. ____________
(on Conferees' Staff Notes on H.R. 1617)

Mr. ____________ moves that the staff recommendations be modified as follows:

Notes 5 and 5a (relating to authorizations of appropriations)

Strike the staff recommendation (which proposes that the Senate recede with an amendment to authorize a specific amount for fiscal year 1998 and such sums as may be necessary for fiscal years 1999 through 2002) and insert in lieu thereof the following:

The Senate recedes with an amendment to authorize appropriations as follows:

"(1) $5,400,000,000 to provide allotments to the States for fiscal year 1998, and such sums as may be necessary for each of fiscal years 1999 through 2002;

"(2) $600,000,000 to enable the Secretaries to carry out national activities for fiscal year 1998, and such sums as may be necessary for each of fiscal years 1999 through 2002."
Note 102 (relating to subgrants in each State's overall allotment)

Strike the staff recommendations for a Senate offer and a House offer and insert the following:

The Senate recedes with an amendment striking references to the Wagner-Peyser Act, and inserting the following:

"ACTIVITIES.--From the sum made available to each State pursuant to its allotment under section ___ for each fiscal year--

"(1) a portion equal to 40 percent of such sum shall be made available for adult employment and training;

"(2) a portion equal to 20 percent of such sum shall be made available for at-risk youth employment and training (including summer jobs);

"(3) a portion equal to 24 percent of such sum shall be made available for in-school youth activities;

"(4) a portion equal to 6 percent of such sum shall be made available for adult education and literacy activities; and

"(5) a portion equal to 10 percent of such sum shall be made available for flexible account activities."
## PRESIDENT'S FY 1997 REQUEST VS. HOUSE BUDGET RESOLUTION FOR FY 1997 VS. $6.0 BILLION AUTHORIZATION

May 22, 1996
Billions of Dollars

<table>
<thead>
<tr>
<th>Total Appropriations</th>
<th>President's FY 1997 Budget Request by Proposed Categories</th>
<th>House FY 1997 Budget Resolution by Proposed Categories</th>
<th>Authorization of $6.0 Billion by Proposed Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Allocation to States</td>
<td>$4.405</td>
<td>$2.904</td>
<td>Senate Offer Allocations</td>
</tr>
<tr>
<td>Adult Training</td>
<td>$2.019</td>
<td>$1.016</td>
<td>35%</td>
</tr>
<tr>
<td>Out-of-School Youth</td>
<td>$0.998</td>
<td>$0.436</td>
<td>15%</td>
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<td>In-School Youth</td>
<td>$1.088</td>
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<td>School-to-Work</td>
<td>$0.400</td>
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AMENDMENT TO ESTABLISH AUTHORIZATION LEVEL AT $7.3 BILLION

Given the need to build a comprehensive workforce development system to serve all Americans, we must establish an authorization level for this bill that will provide adequate national investments in job training and education.

If we are serious about producing a bill the President can sign, it is imperative that the bill authorize spending for the consolidated programs at a level sufficient to at least meet the priorities laid out in the President’s FY 1997 budget and his letter to the conference.

Assuming that the monies to be allocated to the States are earmarked according to the Senate offer -- 35% for adult training, 15% for out-of-school youth, 20% for in-school youth, 5% for adult education and 25% for the flex account, the authorization level must be set at $7.3 billion to meet the President’s priorities.

The authorization level of $7.3 billion is about $2.0 billion higher than the President’s FY 1997 budget request primarily to provide a flex account of $1.7 billion that the Governor can allocate to different activities, such as the training and education of welfare recipients and incumbent workers, without reducing funding for current activities.

In the absence of providing appropriate guidance in authorization language, appropriations are likely to be much lower than needed as evidenced by the recent FY 1997 Budget Resolution passed by the House, setting funding for the consolidated programs at about $3.2 billion, or $1.1 billion below FY 1996 appropriation levels and $2.1 billion below the President’s request.

The House level of $3.2 billion is totally inadequate for achieving two of the President’s primary objectives -- assuring no less than $1.3 billion for dislocated workers and providing $1 billion for at-risk youth.

Assuming $300 million for national activities, consistent with both the House and Senate bills, a total of $2.9 billion would be allocated to the states with 35% earmarked for adult training and 15% for at-risk youth.
The $3.2 billion level therefore would earmark only $1.0 billion for all adult training, including the training of low-income adults, so that the President's goal for dislocated workers would be impossible to attain.

In contrast, an authorization level of $7.3 billion would earmark $2.3 billion for adult training, so that the President's goal of $1.3 billion for dislocated workers could be achieved and an additional $1.0 billion would be assured for low-income adults. The availability of adequate resources for low-income adults would continue 30 years of bi-partisan government policy of assuring training funds for deserving, low-income workers.

Therefore, we urge your support for this amendment to establish an authorization level of $7.3 billion.
($7.3 billion FY 1998 authorization, with $6.7 billion allotted)

Motion by Mr. ________
(on Conferees' Staff Notes on H.R. 1617)

Mr. ________ moves that the staff recommendations be modified as follows:

Notes 5 and 5a (relating to authorizations of appropriations)

Strike the staff recommendation (which proposes that the Senate recede with an amendment to authorize a specific amount for fiscal year 1998 and such sums as may be necessary for fiscal years 1999 through 2002) and insert in lieu thereof the following:

The Senate recedes with an amendment to authorize appropriations as follows:

"(1) $6,700,000,000 to provide allotments to the States for fiscal year 1998, and such sums as may be necessary for each of fiscal years 1999 through 2002; and

"(2) $600,000,000 to enable the Secretaries to carry out national activities for fiscal year 1998, and such sums as may be necessary for each of fiscal years 1999 through 2002."
Note 102 (relating to subgrants in each State's overall allotment)

Strike the staff recommendations for a Senate offer and a House offer and insert the following:

The Senate recedes with an amendment striking references to the Wagner-Peyser Act, and inserting the following:

"ACTIVITIES.--From the sum made available to each State pursuant to its allotment under section ___ for each fiscal year--

"(1) a portion equal to 35 percent of such sum shall be made available for adult employment and training;

"(2) a portion equal to 15 percent of such sum shall be made available for at-risk youth employment and training (including summer jobs);

"(3) a portion equal to 20 percent of such sum shall be made available for in-school youth activities;

"(4) a portion equal to 5 percent of such sum shall be made available for adult education and literacy activities; and

"(5) a portion equal to 25 percent of such sum shall be made available for flexible account activities."
# President's FY 1997 Request vs. House Budget Resolution for FY 1997 vs. $7.3 Billion Authorization

May 22, 1996

**Billions of Dollars**

<table>
<thead>
<tr>
<th>Proposed Categories</th>
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<tbody>
<tr>
<td><strong>Total Appropriations</strong></td>
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<td>Flex Account</td>
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<td>$0.400</td>
<td>$0.350</td>
<td>$0.400</td>
</tr>
</tbody>
</table>

**Senate Offer Allocations**

- Adult Training: 35%
- Out-of-School Youth: 15%
- In-School Youth: 20%
- Adult Education: 5%
- Flex Account: 25%
- School-to-Work: 25%