The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1617) to consolidate and reform workforce development and literacy programs, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

STATEMENT OF MANAGERS

GENERAL

Short Title

1. The House bill is referred to as the CAREERS Act. The Senate amendment is referred to as the Workforce Development Act of 1995.

The House recedes with an amendment naming the bill the "Workforce and Career Development Act of 1996".

Table of Contents

2. Both the House bill and the Senate amendment contain a table of contents.

   Legislative counsel.

Findings

3. The Senate amendment provides findings on the failures of the existing Federal job training system. The House bill contains no findings, except those for title IV, Adult Education and Literacy Programs. (See next Note.)

   The Senate recedes.

3a. The House bill provides findings on the importance of improving literacy.

   The House recedes.
Purpose

4. The House bill provides one purpose for the Act -- to transform existing programs into a more effective system. The Senate amendment contains three purposes: (1) to create statewide workforce development systems, (2) to improve skills, and (3) to promote economic development.

The Senate recedes with an amendment combining the purposes of both bills.

4a. The House bill contains additional purposes for the youth development and career preparation, adult employment and training, and adult education and literacy titles.

The House recedes.

Authorizations

5. The House bill provides authorizations of (1) $2,324,600,000 for the youth development grant, (2) $2,183,000,000 for the adult training grant, and (3) $280,000,000 for the adult education and literacy grant. The Senate amendment provides for an authorization of $5,884,000,000 for workforce development for fiscal year 1996 and 1997 (which includes funds made available under the Wagner-Peyser Act). The Senate amendment also provides for an authorization of $2,100,000,000 for Job Corps and at-risk youth, and $500,000 for transition to the Federal Partnership.

The Senate recedes with an amendment authorizing "such sums" for a single workforce and career development block grant and "such sums" for Job Corps.


The Senate recedes with an amendment authorizing appropriations beginning in fiscal year 1998 through fiscal year 2002.

6. Both the House bill and the Senate amendment provide for program years beginning on July 1 each fiscal year.
The House recedes.

7. Both the House bill and the Senate amendment allow funds obligated for any program year to be expended by the recipient during the program year and 2 years thereafter. However, the House bill requires the Secretary to reallocate a portion of the unexpended funds. Under the Senate amendment, no amount can be deobligated if the rate of expenditure is consistent with the State's plan.

The House recedes with an amendment authorizing carryover of funds for employment and training and at-risk youth activities for up to two years.

Definitions

8. The House bill, but not the Senate amendment, includes a definition of "administration," which applies only to the youth grant.

The House recedes.

9. Both the House bill and the Senate amendment definitions of "adult" differ in the calculation of age and whether or not an individual is required to be enrolled in a secondary school. In addition, the Senate amendment's definition of "adult" applies only to the definition of adult education programs.

The House and Senate recede.

10. The House bill and the Senate amendment have similar definitions of "adult education," but the House bill includes in the definition instruction for adults who are not enrolled or not required to be enrolled in school and who lack mastery of basic skills.

The Senate recedes with an amendment combining the definition of "adult education" in both bills.

11. The House bill, but not the Senate amendment, includes a definition of "all aspects of the industry," which applies only to the youth grant.
12. The Senate amendment, but not the House bill, defines "appropriate Secretary" to mean either the Secretary of Labor, the Secretary of Education, or both Secretaries acting jointly.

The House recedes.

13. Both the House bill and the Senate amendment include similar definitions of "area vocational education school." The Senate amendment includes technical institutes or vocational schools, but only if the institute or school admits both individuals who have finished secondary school and who have left secondary school. The House bill requires that the department or division of a junior college, community college, or university operate under the policies of the State board.

The Senate recedes with an amendment replacing the reference to "State board" with "eligible agency".

14. The House bill, but not the Senate amendment, includes a definition of "articulation agreement," which applies only to the youth grant.

The House recedes.

15. The House bill and the Senate amendment differ in the definition of "at-risk youth". For example, the House bill defines "at-risk youth" as including both out-of-school and in-school youth. The Senate amendment defines "at-risk youth" in terms of low income.

The House recedes with an amendment defining "at-risk youth" as an individual who is between the ages of 15 and 21, is low-income, and who has additional barriers to education or employment.

15a. The Senate amendment also defines "at-risk youth" for the purposes of the Job Corps and at-risk youth title.

The Senate recedes.
16. The House bill, but not the Senate amendment, includes a definition of "career grant."

The Senate recedes with an amendment defining a "career grant" as a voucher or credit used to purchase training services.

17. The House bill, but not the Senate amendment, includes a definition of "case management."

The House recedes.

18. The House bill and the Senate amendment include similar definitions of "chief elected official," except that the House bill refers to workforce development areas and the Senate amendment refers to substate areas.

The Senate recedes.

19. The House bill and the Senate amendment include similar definitions of "community-based organization." However, the Senate bill requires the organization to have demonstrated effectiveness and to provide workforce development activities. The House bill lists the activities.

The House recedes with an amendment defining a "community-based organization" as a private, non-profit organization of demonstrated effectiveness.

While the Managers intend that providers under this system, including community-based organizations, be of "demonstrated effectiveness," this is in no way intended to limit the ability of new providers to participate in the delivery of services under workforce and career preparation programs. Such providers simply must be able to demonstrate that they can provide services effectively.

20. The House bill, but not the Senate amendment, includes a definition of "comprehensive career guidance and counseling".

The Senate recedes with an amendment to modify the definition of "career guidance and counseling".
21. The House bill, but not the Senate amendment, includes a definition of "cooperative education," which applies only to the youth grant.

The Senate recedes.

22. The House bill, but not the Senate amendment, includes a definition of "correctional education agency," which applies only to the adult education and family literacy grant.

The House recedes.

23. The House bill, but not the Senate amendment, includes a definition of "cooperative vocational education," which applies only to the youth grant.

The House recedes.

24. The Senate amendment, but not the House bill, includes a definition of "covered activity," (programs repealed or amended under this Act).

The House recedes with technical and conforming amendments.

25. The House bill, but not the Senate amendment, includes a definition of "curricula," which applies only to the youth grant.

The House recedes.

26. The House bill, but not the Senate amendment, includes a definition of "demographic characteristics."

The House recedes.

27. The House bill and the Senate amendment have similar definitions of "dislocated worker." However, the Senate amendment includes in the definition a displaced homemaker and an individual unemployed as a result of Federal action limiting the use of marine natural resources.

The Senate recedes with an amendment striking the reference to older workers and inserting references to displaced homemakers and individuals displaced because of Federal action that limits
the use of marine natural resources in the definition of "dislocated worker".

The Managers agreed to strike the specific reference to older workers in the definition because it was determined that older workers who are dislocated from their jobs are implicitly covered under the definition of a dislocated worker. It is still the intent of the Managers, however, that older workers who are in need of employment and training activities, be served fairly and equitably through employment and training activities authorized under this Act.

28. The House bill and the Senate amendment contain different definitions of "displaced homemaker." For example, the House bill includes in the definition an adult dependent on public assistance or a parent whose youngest dependent child is ineligible for assistance. The Senate amendment's definition requires the Federal Partnership to determine guidelines solely for individuals who were full-time homemakers previously receiving financial support.

The Senate recedes with an amendment modifying the definition of "displaced homemaker".

29. The House bill, but not the Senate amendment, includes a definition of "earnings."

The House recedes.

30. The Senate amendment, but not the House bill, includes a definition of "economic development activities."

The Senate recedes.

31. The House bill, but not the Senate amendment, includes a definition of "economic development agencies."

The House recedes.

32. The House bill, but not the Senate bill, includes a definition of "economically disadvantaged."
The Senate recedes with an amendment changing the term "economically disadvantaged" to "low-income individual", modifying the reference to poverty guidelines, and striking additional State criteria.

33. The House bill and the Senate amendment include similar definitions of "educational service agency." However, the House bill provides that an educational service agency be recognized as an administrative agency for vocational education.

The House recedes.

34. The House bill, but not the Senate amendment, includes a definition of "educationally disadvantaged adult," which applies only to the adult education and family literacy grant.

The House recedes.

35. The Senate amendment, but not the House bill, includes a definition of "elementary school; secondary school." In addition, the Senate amendment includes a definition of "local educational agency." (See Note 52 for the comparable House definition of local educational agency.)

The House recedes with an amendment striking the definition of "elementary school" and "local educational agency".

36. The House bill, but not the Senate amendment, includes a definition of "eligible institution," which applies only to the youth grant.

The Senate recedes with an amendment striking the reference to "intermediate educational agency" and replacing it with "educational service agency".

37. The House bill, but not the Senate amendment, includes a definition of "employed."

The House recedes.

38. The House bill, but not the Senate amendment, includes a definition of "English literacy program."
39. The House bill, but not the Senate amendment, includes a definition of "excess number."

   The House recedes.

40. The House bill, but not the Senate amendment, includes a definition of "family and consumer sciences."

   The Senate recedes.

41. The House bill, but not the Senate amendment, includes a definition of "family literacy services," which applies only to the adult education and family literacy grant.

   The Senate recedes.

42. The Senate amendment, but not the House bill, includes a definition of "Federal Partnership."

   The Senate recedes.

43. The Senate amendment, but not the House bill, includes a definition of "flexible workforce activities."

   Legislative counsel.

44. The House bill, but not the Senate amendment, includes a definition of "Governor."

   The House recedes.

45. The House bill, but not the Senate amendment, includes a definition of "individual of limited English proficiency."

   The Senate recedes with an amendment changing "adult or youth" to "individual."

46. The House bill and the Senate amendment include a definition of "individuals with disabilities." The Senate amendment also includes a definition of "individual with a disability." The House bill refers to the Rehabilitation Act of 1973, the Senate
amendment refers to section 3 of the Americans with Disabilities Act of 1990.

The House recedes.

47. The House bill, but not the Senate amendment, includes a definition of "institution of higher education." (See Note 36 for a definition of "eligible institution.")

The House recedes.

48. The House bill, but not the Senate amendment, includes a definition of "job search assistance."

The House recedes.

49. The House bill, but not the Senate amendment, includes a definition of "labor market area."

The Senate recedes with an amendment striking second sentence of House definition.

50. The House bill, but not the Senate amendment, includes a definition of "library." However, the Senate amendment includes definitions of "library consortia," "library entity," and "public library" in the provisions pertaining to Museums and Libraries. (See Note 550a)

The House recedes.

51. The House bill, but not the Senate amendment, includes a definition of "literacy."

The Senate recedes.

52. Both the House bill and the Senate amendment, include the same definition for "local educational agency." (See Note 35 for the comparable Senate definition)

The Senate recedes.

53. The Senate amendment, but not the House bill, includes a definition of "local entity."
54. The Senate amendment, but not the House bill, includes a definition of "local partnership."

The Senate recedes.

55. The House bill, but not the Senate amendment, includes a definition of "migrant farmworker."

The House recedes.

56. The Senate amendment, but not the House bill, includes a definition of "National Board."

The Senate recedes.

57. The House bill, but not the Senate amendment, includes a definition of "Native American." However, the Senate amendment includes definitions of "Indian," "Alaska Native," and "Native Hawaiian" in the provisions pertaining solely to Indian workforce development activities in section 107. (See Note 422)

The House recedes.

58. The House bill, but not the Senate amendment, includes a definition of "nontraditional employment."

The Senate recedes with an amendment modifying the definition of "nontraditional employment".

59. The House bill, but not the Senate amendment, includes a definition of "on-the-job training."

The Senate recedes with an amendment striking the reference to the Occupational Employment Statistics Program Dictionary, and replacing it with criteria limiting the duration of on-the-job training, as appropriate.

60. The Senate amendment, but not the House bill, includes a definition of "outlying area." (See related Note 76)

The House recedes.
61. The Senate amendment, but not the House bill, includes a definition of "participant."

    The Senate recedes.

62. The House bill, but not the Senate amendment, includes a definition of "partnership," which applies only to the youth grant.

    The House recedes.

63. Both the House bill and the Senate amendment include a definition of "postsecondary educational institution." The House bill refers to eligibility and certification requirements under the Higher Education Act of 1965. The Senate amendment requires two or four year programs of instruction.

    The Senate recedes.

64. The House bill, but not the Senate amendment, includes a definition of "preemployment skills training; job readiness skills training."

    The House recedes.

65. The House bill, but not the Senate amendment, includes a definition of "public assistance." (See related Note 91)

    The House recedes.

66. The House bill defines "rapid response." The Senate amendment defines "rapid response assistance." The House bill specifies who provides the assistance, when on-site contact should occur, and lists types of assistance. The House bill refers to "substantial layoff," the Senate amendment refers to "layoff of 50 or more people."

    The House recedes with an amendment combining the two definitions into a single definition of "rapid response assistance".

67. The House bill, but not the Senate amendment, includes a definition of "registered apprenticeship."
The House recedes.

68. The House bill, but not the Senate amendment, includes a definition of "school dropout."

   The Senate recedes with an amendment replacing "youth" with "individual" and striking the reference to a certificate of a secondary school equivalency program.

69. The Senate amendment, but not the House bill, includes a definition of "school-to-work activities."

   The Senate recedes.

70. The House bill, but not the Senate amendment, includes a definition of "seasonal farmworker."

   The House recedes.

71. The House bill, but not the Senate amendment, includes a definition of "Secretary," which applies to both the youth grant and adult education and family literacy grant.

   The House recedes.

72. The House bill, but not the Senate amendment, includes a definition of "sequential course of study," which applies only to the youth grant.

   The Senate recedes with an amendment striking "youth" and inserting "individuals."

73. The House bill, but not the Senate amendment, includes a definition of "single parent," which applies only to the youth grant.

   The House recedes.

74. The House bill, but not the Senate amendment, includes a definition of "skill certificate."

   The House recedes.
75. The House bill, but not the Senate amendment, includes a definition of "special populations," which applies only to the youth grant.

The House recedes.

76. Both the House bill and the Senate amendment include a definition of "State," however, the House bill includes in the definition the Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands.

The House recedes.

77. The Senate amendment, but not the House bill, includes a definition of "State benchmarks."

The House recedes with conforming amendments.

78. The House bill and the Senate amendment include different definitions of "State Educational Agency." The House bill includes the same definition as the Elementary and Secondary Education Act. The Senate amendment's definition differs from the Elementary and Secondary Education Act by including the State board of education or other officer, and by adding the clause "or, if there is no such officer of agency, an officer or agency designated by the Governor or by State law."

The Senate recedes.

79. The Senate amendment, but not the House bill, includes a definition of "State goals."

The House recedes.

80. Both the House bill and the Senate amendment include a definition of "State library administrative agency." However, the Senate amendment definition is included in the provisions pertaining to Museums and Libraries. (See Note 550b)

The Senate recedes. (Definition moves to libraries section.)

81. The Senate amendment, but not the House bill, includes a definition of "statewide system."
The House recedes with an amendment including employment and training activities, vocational education activities, adult education and literacy activities, at-risk youth activities, and activities carried out pursuant to the Wagner-Peyser Act in the definition of "statewide system".

82. The Senate amendment, but not the House bill, includes a definition of "substate area."

The Senate recedes.

83. The House bill, but not the Senate amendment, includes a definition of "supportive services."

The Senate recedes with an amendment streamlining the definition of "supportive services".

84. Both the House bill and the Senate amendment include similar definitions of "tech-prep." The House bill defines "tech-prep education program," the Senate amendment defines "tech-prep program."

The House recedes.

84a. The Senate amendment refers to State law.

The House recedes with an amendment striking "sequence" and inserting "sequential course of study".

84b. The Senate amendment includes work-site learning.

The House recedes.

84c. The House bill provides technical preparation in at least 1 field. The Senate amendment includes applied economics.

The House recedes.

84d. The Senate amendment includes economics.

The House recedes.

84e. The House bill refers to careers meeting labor market needs.
The House recedes.

85. The House bill, but not the Senate amendment, includes a definition of "unemployed."

The House recedes.

86. The House bill, but not the Senate amendment, includes a definition of "unit of general local government."

The Senate recedes.

87. Both the House bill and the Senate amendment definitions are the same, except for a technical difference.

The House recedes.

88. Both the House bill and the Senate amendment include different definitions of "vocational education."

The House recedes.

89. The House bill, but not the Senate amendment, includes a definition of "vocational student organizations," which applies only to the youth grant.

The Senate recedes with an amendment striking all after the word "units".

90. The Senate amendment, but not the House bill, includes a definition of "vocational rehabilitation program."

The House recedes.

91. The Senate amendment, but not the House bill, includes a definition of "welfare assistance." (See related Note 65)

The Senate recedes.

92. The Senate amendment, but not the House bill, includes a definition of "welfare recipient."

The Senate recedes.
93. The House bill, but not the Senate amendment, includes a definition of "work experience."

The House recedes.

94. The Senate amendment, but not the House bill, includes a definition of "workforce development activities."

The House recedes with an amendment striking "workforce development activities" and inserting "workforce and career development activities."

95. The Senate amendment, but not the House bill, includes a definition of "workforce education activities."

The House recedes with an amendment referencing "vocational education activities" and "adult education and literacy activities" instead of "workforce education activities".

96. The Senate amendment, but not the House bill, includes a definition of "workforce employment activities."

The House recedes with an amendment referencing "employment and training activities" instead of "workforce employment activities".

97. The Senate amendment, but not the House bill, includes a definition of "workforce preparation activities for at-risk youth."

The House recedes with an amendment referencing "at-risk youth activities" instead of "workforce preparation activities for at-risk youth".

98. The House bill, but not the Senate amendment, includes a definition of "workplace mentor."

The House recedes.

99. The House bill, but not the Senate amendment, includes a definition of "youth."

The House recedes.
STATE ROLE

Description of System

100. The House bill, but not the Senate amendment, uses title I to establish an infrastructure for the workforce development and literacy system, composed of three block grants.

The House recedes.

101. The Senate amendment, but not the House bill, provides for the Secretaries to make an allotment to each State to establish a statewide workforce development system.

The House recedes with an amendment conforming the reference to the Secretary of Education and the Secretary of Labor to the "Secretaries" as defined in this title.

102. Under the House bill, grants for programs are provided under four separate titles, known as Workforce Development and Literacy Programs. (The House bill no longer contains a separate title for vocational rehabilitation.) Under the Senate amendment, a State must allocate its allotment as follows: 25% for workforce employment, 25% for workforce education, and the remaining 50% for the flex account.

The House recedes with an amendment apportioning a State’s block grant funds as follows: 32 percent for employment and training activities, 26 percent for vocational education activities, 16 percent for at-risk youth activities, and 6 percent for adult education and literacy activities.

102(a). The Senate amendment, but not the House bill, provides that 50% of the allotment be used for the flex account for workforce employment or workforce education activities, as a State may decide. In addition, a State would be required to spend a portion of the flex account on school-to-work activities. (See Note 350) A State may also use a portion of the flex account for economic development activities, if certain conditions are met. (See Note 352)

The House recedes with an amendment apportioning 20 percent for the flex account.
103. The House, but not the Senate amendment, allows the Governor to transfer up to 10% of the funds between title II (youth) and title III (adult training).

The House recedes.

104. Under the Senate amendment, but not the House bill, the Secretaries are directed to make payments to the Governor for workforce employment and to the State educational agency for workforce education.

The House recedes with an amendment providing that block grant funds allotted to a State will be distributed to the Governor for employment and training and at-risk youth activities, and to the eligible agency for vocational education and adult education and literacy activities. The amendment further provides for a definition for the term "eligible agency".

The Managers intend that the reference to "State law" in determining the individual, entity or agency in a State responsible for administering or setting policies for vocational education or adult education and literacy includes State statutes or the State constitution. The term "State law" does not include regulations by the Governor. The Managers do not intend to prohibit States from redesignating the agency or agencies responsible for these activities by State statute.

**Collaborative Process/State Boards**

105. The House bill, but not the Senate amendment, requires a Governor to certify to the Secretaries that a collaborative process has occurred where required under the Act.

The House recedes.

106. Under the House bill, the collaborative process is a process for making the key decisions at the State level, including development of the State plan. The collaborative process under the Senate amendment is used solely for developing the State's strategic plan. The State provides a description of the process in its plan.
The Senate recedes with an amendment clarifying that the collaborative process is to be used for the development of the State plan.

107. The House bill and the Senate amendment list the participants in the collaborative process.

The Senate recedes with an amendment combining and modifying the lists of participants in the collaborative process from both bills.

In determining who should participate in each State's collaborative process, the Managers intentionally limited the number of individuals and entities who are required by the legislation to participate in such effort. However, this was in no way intended to be an exhaustive list. The Managers encourage the participation of employment and training providers, especially private providers such as outplacement firms and for-profit training companies, whose private sector perspective and expertise should prove valuable to a State's comprehensive workforce preparation efforts.

108. The House bill, but not the Senate amendment, allows States to use existing processes, including State councils, that are substantially the same as those described in section 103(a) and (b), outlining the collaborative process.

The Senate recedes with an amendment allowing an existing State board, council or other entity to serve as the State's collaborative process, and describing the functions of such a State board.

109. The Senate amendment permits the Governor to establish a State workforce development board to assist in the development of the statewide workforce development system. The House bill permits existing State boards under section 103(c) (See previous Note).

The Senate recedes.

110. Both the House bill and the Senate amendment allow the Governor to act, if he or she is unable to obtain the support of the participants in the collaborative process. However, comments from participants must be included in the State plan. The House
bill specifically gives the Governor final authority to submit the State plan, and to make decisions for all programs authorized under the Act, except where State law provides such authority to an individual or agency other than the Governor.

The Senate recedes with an amendment clarifying that the Governor shall have final authority for the content of the State plan relating to employment and training and at-risk youth activities, and the eligible agency shall have final authority for the content of the State plan relating to vocational education and adult education and literacy activities. The amendment further clarifies that the Governor has final authority to submit the State plan, including comments submitted by participants in the collaborative process. If the eligible agency disagrees with the portion of the State plan in its jurisdiction, the eligible agency’s comments shall be considered to be the State’s plan for those activities.

111. The House bill and the Senate amendment provide that neither shall be construed to supersede State law or authority, although the Senate amendment applies only to education activities.

The Senate recedes with an amendment combining the provisions of both bills that provides that nothing in this title should supersede State law.

It was important to the Managers that nothing in this Act supersedes or negate the authority of any State official, agency, or entity over programs under that official’s, agency’s, or entity’s jurisdiction. The Managers wish to clarify that this protection is also extended to any existing authority or jurisdiction granted by State law to State Legislatures.

State Allotments
(Workforce Development/At-Risk Youth)

112. The Senate amendment, but not the House bill, provides that funds be expended in accordance with the State's laws and procedures.

The Senate recedes.

113. Under the Senate amendment, funds for workforce development activities will be distributed according to a formula based on the
following factors: 60% of the funds based on each State's percentage share of the population aged 15 to 65 years, 20% of the funds based on each State's percentage share of individuals aged 18 to 64 years who are at or below the official poverty line, 10% of the funds based on each State's percentage share of the average unemployment rate for the previous 2 years; and 10% based on each State's percentage share of adult recipients of welfare assistance. The House bill has no comparable allotment requirement for a single grant to States, but does provide allotments to States under the three separate block grants. (See Notes 115, 116, & 117)

The House recedes with an amendment changing the age range of individuals in poverty to ages 16 to 64, and making other conforming changes in the State allotments.

113a. Under the Senate amendment, in addition to the factors described in the previous Note, there is a provision for a State minimum allocation, so that no State receives less than 0.5% of the total allocation. However, the application of the minimum grant provision cannot result in an allotment that is larger than 150% of the product of a State's population times the national per capita payment under the formula (which is the total allocation divided by the total population). The House bill also includes State minimums in its separate grant allotments. (See Notes 115, 116, & 117)

The House recedes with an amendment striking any references to the Federal Partnership.

113b. Notwithstanding any other provision of the formula in the Senate amendment, no State would receive an increase or decrease of more than 5% in its share of funds from the previous year.

The House recedes with an amendment striking "0.95" and inserting "0.98"; and striking "1.05" and inserting "1.02"

114. The Senate amendment provides funding for Job Corps and at-risk youth through an allotment based on 1996 appropriations for Job Corps, and the remainder distributed by formula for workforce preparation activities for at-risk youth. The House bill provides funding for at-risk youth under the youth grant. (See Note 115). The House bill retains current law for Job Corps.
The Senate recedes.

114a. Under the Senate amendment, the Secretaries provide funds for the operation of Job Corps centers based on the amounts appropriated in fiscal year 1996 and such additional amounts as are necessary for the construction of new centers.

The Senate recedes.

114b. Under the Senate amendment, the Secretaries may reserve at-risk youth funds for Indians and Native Hawaiians.

The Senate recedes.

114c. Remaining funds for at-risk youth are allocated in the Senate amendment based on the following factors: 33 1/3% of the funds based on each State's percentage share of the average unemployment rate for the previous two years, 33 1/3% of the funds based on each State's percentage share of individuals aged 18 to 64 years who are at or below the official poverty line, and 33 1/3 percent of the funds based on each State's percentage share of at-risk youth.

The Senate recedes.

(Youth)

115. Under the House bill's grant for youth (which includes in-school and at-risk youth), States are provided an amount of funding which bears the same ratio as the average of funds they received in fiscal year 1995 under sections 101 and 101A of the Perkins Act (basic State and tech prep grants) and sections 252 and 262 of JTPA (Title II-B Summer Youth and Title II-C Youth Training). A small State minimum of 1/4 of 1% is provided. For a description of the Senate allotment for workforce development (which includes youth) and the allotment for at-risk youth. (See Notes 113 and 114).

The House recedes.

(Employment and Training Activities)

116. Under the House bill's grant for adult employment and training, States are provided funds based on each State's share of
fiscal year 1995 appropriations under JTPA Title II-A (Adult Training) and Title III (Dislocated Workers). In addition, no State would receive less than 0.25% of the amount made available for these activities. For a description of the Senate allotment which includes employment and training, see Note 113.

The House recedes.

(Agent Education)

117. Under the House bill's grant for adult education and literacy, States are provided an allotment of $250,000. Funds remaining after these allotments are made would be distributed to States in proportion to the adult population who are: at least 16 years of age but less than 61 years, beyond the age of compulsory school attendance, do not have a high school diploma (or the equivalent), and who are not currently enrolled in school. For a description of the Senate allotment which includes adult education, see Note 113.

The House recedes.

State Responsibilities
(State Plan/General)

118. Under the House bill, the Governor must submit a single State plan (to the Secretaries of Education and Labor) for the workforce development and literacy programs under the Act. Under the Senate amendment, the Governor must submit a single, comprehensive 3-year plan to the Federal Partnership.

The Senate recedes with an amendment clarifying that the State plan will cover a 3-year period.

119. Under the House bill, but not the Senate amendment, the plan remains in effect for 6 years, unless the State modifies the plan.

The Senate recedes with an amendment clarifying that a State may submit modifications to its State plan during the 3-year period.

Contents
120. Under the Senate amendment, but not the House bill, the plan contains three components: (1) the strategic plan, (2) the description of workforce employment activities, and (3) the description of workforce education activities. The strategic plan, developed through the collaborative process, describes the statewide strategy and the allocation of funds in the flex account.

The Senate recedes.

121. Both the House bill and the Senate amendment require that State plans include various elements. To the extent both the House bill and the Senate amendment contain comparable requirements, there are differences in content.

The Senate recedes with an amendment changing the title to "State Plan" and striking "workforce development and literacy".

121a. Both the House bill and the Senate amendment require a description of the collaborative process. The House bill and the Senate amendment differ in the use of the collaborative process. The Senate amendment also requires a demonstration of support by the participants. (See Note 106)

The House recedes with an amendment requiring the State plan to describe the collaborative process, and to demonstrate the support of participants for the plan and the agreement of the eligible agencies for the plan.

121b. Both the House bill and the Senate amendment require a description of the State goals (and in the Senate amendment, State benchmarks) for workforce development and how to achieve them.

The House recedes with an amendment requiring the State plan to describe State goals and benchmarks and how workforce and career activities will be coordinated to reach them.

121c. Both the House bill and the Senate amendment require a description of the current and future workforce development needs of each State.

The Senate recedes with an amendment requiring the State plan to describe workforce and career development needs in the State.
121d. Both the House bill and the Senate amendment require a description of performance indicators to measure and continuously improve upon the performance of the statewide system. The House bill requires the identification of progress indicators. (See Notes 123c and 125b for comparable Senate provisions)

The House and Senate recede.

121e. The House bill, but not the Senate amendment, requires a description of how the State will comply with the requirements for (1) the designation of workforce development areas, (2) the establishment of local boards, (3) integrated career center system, and (4) identification of eligible education and training providers, as required by the Act.

The Senate recedes with an amendment requiring the identification of local workforce development areas in the State plan, with an exception for small States, and the development and inclusion of criteria to identify effective and ineffective at-risk youth providers and programs.

Under the conference agreement, local workforce development areas are to be identified as a part of the collaborative planning process in each State, with such identification included in the State plan. As such, it is the intent of the Managers that individuals involved in the collaborative process, including representatives of local chief elected officials, local educational agencies, postsecondary institutions (including community colleges), and business, as well as others, be involved in the identification of these local areas. In addition, as part of the broader requirement that the State plan must be made available to the public for comment, it is intended that the designation of these areas is truly a participatory process.

Regarding identification of the actual geographic boundaries of local workforce development areas, in addition to labor market areas, the Managers encourage States to take into consideration existing service areas (including service delivery areas established under the Job Training Partnership Act, areas served by postsecondary institutions and area vocational education schools, areas served by local educational agencies and intermediate educational agencies, and units of general local government). The Managers also encourage States to take into
account the distance that individuals must travel for receipt of services in making such determinations.

The Managers also intend for the identification of effective and ineffective providers of at-risk youth activities to provide States and local workforce development boards with useful information regarding "best practices" and "failed practices" in addressing the employment and training needs of at-risk youth.

121f. Both the House bill and the Senate amendment require a description of how the State will participate in the national labor market information system.

   The Senate recedes with an amendment requiring the State plan to describe the statewide labor market information system.

121g. The House bill, but not the Senate amendment, requires additional plan elements outlined in titles II-IV.

   The House recedes.

121h. Both the House bill and the Senate amendment require a description of how the State will eliminate duplication among services, including a description of common data collection and reporting processes.

   The Senate recedes.

121i. The House bill, but not the Senate amendment, requires a description of the process for public comment.

   The Senate recedes.

121j. Both the House bill and the Senate amendment require a description of business participation.

   The House recedes with an amendment clarifying participation of labor, as appropriate.

121k. The House bill, but not the Senate amendment, requires assurances that the State will be accountable for funds distributed under the Act.

   The Senate recedes.
1211. The House bill, but not the Senate amendment, requires a description of the sanctions which may be imposed for actions contrary to the Act.

The House recedes.

121m. The Senate amendment, but not the House bill, requires a description of how funds in the flex account will be allocated among workforce activities.

The Senate recedes.

121n. The Senate amendment, but not the House bill, requires information regarding the participation of local partnerships.

The Senate recedes.

121o. The Senate amendment, but not the House bill, requires information regarding other public and private resources for workforce development activities.

The House recedes with an amendment including a reference to the Wagner-Peyser Act and clarifying the participation of employees in the statewide system.

121p. The Senate amendment, but not the House bill, requires information regarding how Veterans' employment activities will be coordinated with the statewide system.

The House recedes.

121q. The Senate amendment, but not the House bill, requires an assurance that funds under the Act will supplement and not supplant other public funds for workforce development activities.

The House recedes.

121r. The Senate amendment, but not the House bill, requires information regarding economic development activities, if any.

The House recedes with an amendment striking the reference to "labor organizations" and replacing it with a reference to "labor, as appropriate".
122. Under the House bill, but not the Senate amendment, States must provide additional information regarding adult employment and training activities.

The House recedes.

122a. The House bill, but not the Senate amendment, requires a description of how the State will serve the employment and training needs of various segments of the population, and how it will provide rapid response assistance to dislocated workers.

The Senate recedes with an amendment requiring the State plan to describe how the State will serve dislocated workers and other unemployed individuals.

123. Under the Senate amendment, but not the House bill, the second part of the plan, developed by the Governor, describes workforce employment activities.

The Senate recedes.

123a. The Senate amendment requires an identification of substate areas. The House bill requires a description of how the State will designate local workforce development areas. (See Note 129 and 121e)

The Senate recedes.

123b. The Senate amendment requires a description of the basic features of the State's one-stop career center system. The House bill requires a description of how the State will establish integrated career center systems. (See Note 121e)

The House recedes with an amendment requiring the State plan to describe the strategy for developing the one-stop career center system in the State.

123c. The Senate amendment requires an identification of performance indicators relating to the State goals and benchmarks for workforce employment activities. The House bill requires an identification of progress indicators. (See related Note 121d for comparable House provision)
The Senate recedes.

123d. The Senate amendment requires a description of the workforce employment activities to be carried out. The House bill contains no such specific plan requirement.

The House recedes with an amendment requiring the State plan to describe how the State will provide rapid response assistance to dislocated workers.

123e. The Senate amendment requires a description of the steps the State will take over three years to establish a statewide labor market information system. The House bill requires a description of the State's participation in the labor market information system. (See Note 121f for comparable House provision)

The Senate recedes.

123f. The Senate amendment, but not the House bill, requires a description of the steps the State will take over three years to establish a job placement accountability system.

The House recedes.

123g. The Senate amendment requires a description of the process the State will use to approve training providers. The House bill requires a description of how the State will identify education and training providers. (See Note 121e)

The House recedes with an amendment requiring the State plan to describe the process the State will use to identify eligible providers of training services.

124. In order to receive funds for youth, under the House bill, but not the Senate amendment, a State must submit additional information describing activities for youth.

The House recedes with an amendment inserting "With respect to vocational education activities, information --".

124a. The House bill, but not the Senate amendment, requires a description of the State's plan to develop the academic and occupational skills of youth and provide the attainment of challenging vocational-technical education standards. (See Notes
125g and 125k for Senate plan requirements regarding workforce education activities to improve education and performance measures)

The Senate recedes with an amendment requiring the State plan to describe how the State will develop the academic and occupational skills of students participating in vocational education activities.

124b. The House bill, but not the Senate amendment, requires a description of how the State will improve comprehensive career guidance and counseling. Both the House bill and the Senate amendment require a description of how the State will address professional development needs. (See related Note 1251)

The Senate recedes with an amendment requiring the State plan to describe how the State will improve career guidance and counseling.

124c. The House bill, but not the Senate amendment, requires a description of the State's strategy for integrating academic, vocational, and work-based learning. Both the House bill and the Senate amendment require collaborative efforts. (See related Note 125)

The House recedes.

124d. Both the House bill and the Senate amendment require a description of how the State will encourage the participation of parents, (and under the House bill--businesses) in education and youth development activities.

The Senate recedes with an amendment requiring the State plan to describe the involvement of parents and business in vocational education activities.

124e. The House bill, but not the Senate amendment, requires a description of how the State will serve single parents, displaced homemakers, and single pregnant women and promote the elimination of sex bias without mandating a set-aside.

The House recedes.
125. Under the Senate amendment, but not the House bill, the third part of the plan, developed by representatives of education, describes workforce education activities.

The Senate recedes.

125a. The Senate amendment, but not the House bill, requires a description of how the funds will be allocated among adult education, and among secondary and postsecondary vocational education programs. [Note: The House bill has separate grants for youth and for adult education and literacy.]

The House recedes with an amendment requiring the State plan to describe how vocational education funds will be allocated among secondary and postsecondary and adult vocational education.

125b. In the House bill, goals and progress indicators for adult education and family literacy must be described in the plan as a condition of receiving funds. In the Senate amendment, performance indicators for workforce education activities must be identified in the plan.

The House recedes with an amendment moving the reference to performance indicators from this section to a single reference following the description of the State goals and benchmarks included in the State plan.

125c. The Senate amendment, but not the House bill, requires a description of the workforce education activities to be carried out.

The House recedes with technical amendments.

125d. The Senate amendment requires a description of how the State will address the adult education needs of the State. The House bill includes an assessment of adult education needs in section 104(b)(2)(B). (See Note 121c)

The Senate recedes.

125e. The Senate amendment, but not the House bill, requires a description of how the State will disaggregate data relating to at-risk youth.
The Senate recedes.

125f. The Senate amendment, but not the House bill, requires a description of how the State will adequately address the needs of at-risk youth in alternative education programs.

The Senate recedes.

125g. The Senate amendment, but not the House bill, requires a description of how the workforce education funds and activities are an integral part of State efforts to improve education.

The House recedes with an amendment requiring the State plan to describe how the State will address the needs of students participating in vocational education activities to be taught to the same challenging academic proficiencies as all students.

125h. The Senate amendment, but not the House bill, requires a description of how the State will annually evaluate the effectiveness of the workforce education plan.

The House recedes with technical amendments.

125i. The Senate amendment requires a description of how the State will address the professional development needs for workforce education activities. (See Note 124b for related House provision)

The House recedes with technical amendments.

125j. The Senate amendment, but not the House bill, requires a description of how the State will provide technical assistance to local educational agencies.

The House recedes.

125k. The Senate amendment, but not the House bill, requires a description of how the State will assess its progress in implementing student performance measures.

The Senate recedes.

126. Under the Senate amendment, a State must provide additional information in the plan to be eligible for funds for at-risk youth. However, a State is not required to provide such
information in order to be eligible for funds for other workforce
development activities.

The House recedes with an amendment requiring a description
to be included in the State plan of the State's at-risk youth
activities and adult education and literacy activities.

127. The Senate amendment provides that the Governor may develop
the entire plan with the consent of certain representatives of
education. The House bill provides for the Governor, through the
collaborative process, (which includes representatives of
education) to develop the plan. (See Notes 118 and 121a)

The Senate recedes.

Conditions

128. Under the House bill, in order for a State to receive a grant
under one or more of the programs, it must: establish a
collaborative process, develop a plan, and comply with the
requirements of the Act. Additional requirements must be
satisfied in order to receive an adult education and literacy
grant. The Senate amendment provides that a State plan will be
approved if the State has: included the required information in
the plan, developed the strategic plan through the collaborative
process, and negotiated the State benchmarks.

The House recedes with an amendment providing that in order
to receive funds, a State must submit a State plan containing all
required elements and prepared through the collaborative process.

128a. The House bill requires States to meet additional grant
requirements, including establishing goals, progress indicators,
and performance measures, in order to receive funds for adult
education and literacy.

The House recedes.

Provisions Regarding Local Workforce Development Area/Boards

129. Under the House bill, the Governor is required to designate
local workforce development areas through the collaborative
process, after consultation with local chief elected officials,
and after considering comments received through public
participation. The Senate amendment requires plan information on substate areas. (See Note 123a)

The House recedes.

Criteria for Selection

130. Under the House bill, a State is required to establish a local workforce development board in each local workforce development area. Under the Senate amendment, a State may elect to have local workforce development boards in substate areas, but is not required to do so. (See Note 182)

The House and Senate recede.

131. Both the House bill and the Senate amendment allow the Governor to establish criteria for use by local chief elected officials in the selection of members of local boards. The House bill requires the Governor to determine the criteria through the collaborative process. (See Note 183)

The House and Senate recede.

Certification

132. Under the Senate amendment, but not the House bill, if a State elects to establish State and local workforce development boards, or elects to offer services through vouchers beginning in program year 2000, it may use up to 50% of the funds in the flex account for economic development.

The Senate recedes.

133. Under the House bill, but not the Senate amendment, the Governor is authorized to certify biennially one board for each workforce development area. If a workforce development area is a State, the collaborative process may serve as the local workforce development board.

The House recedes.

One-Stops/Integrated Career Center Systems
134. The House bill, but not the Senate amendment, requires the Governor to ensure the establishment of an integrated career center system by local workforce development boards within each local workforce development area. The Senate amendment requires the Governor to establish a statewide approach to integrating employment and training activities. (See Note 321)

The House recedes.

135. The House bill, but not the Senate amendment, requires the Governor, through the collaborative process, to establish statewide criteria for selecting career center providers. (See Note 322)

The House recedes.

136. Both the House bill and the Senate amendment require States to implement a statewide approach to the delivery of employment and training, based on the concept of integrated or one-stop career centers, although the requirements of each bill differ. (See Note 323)

The House and Senate recede.

136a. The House bill requires a system where common intake, assessment, and job search are provided. The Senate amendment provides as an option a system where core services are provided, regardless of point of entry. (See Note 323a)

The House and Senate recede.

136b. Both the House bill and the Senate amendment allow for access points that are electronically or computer linked. The House bill further provides for the availability of labor market information and common management information across the system. (See Note 323b)

The House and Senate recede.

136c. The House bill requires at least one physical, co-located career center (to the extent practicable), but encourages a network of such centers combined with affiliated sites. The Senate amendment provides as an option, that there be core services available at not less than one physical location in each
substate area, and also allows for a combination of the options listed above.

The House and Senate recede.

137. The House bill, not the Senate amendment, permits the Governor, through the collaborative process, to develop alternatives to the integrated career center system, subject to approval by the Secretaries. (See Note 328)

The House recedes.

Identification of Education/Training Providers

138. The House bill requires an identification process for determining which service providers are eligible to receive funds for adult training or vocational rehabilitation programs through vouchers, skill grants, or otherwise. The Senate amendment has no such requirement, other than to identify in the State plan the criteria for eligible providers, if a State chooses to offer services through vouchers. (See Note 339)

The Senate recedes with an amendment providing that certain programs of postsecondary educational institutions are automatically eligible to be providers of training services.

The Managers recognize the demonstrated effectiveness of the Center for Employment and Training (CET) in providing employment education, training, and placement services to low income individuals. While it is recognized that States and local boards require flexibility in choosing the most appropriate training models to meet their individual needs, it is the Managers' intent, where possible, that exemplary models of demonstrated effectiveness such as CET be replicated on the State and local levels.

139. The House bill, but not the Senate amendment, establishes an alternative eligibility procedure for service providers that are not eligible to participate in title IV of the Higher Education Act of 1965. (See Note 340)

The Senate recedes with an amendment requiring the Governor to establish an alternative procedure to determine the eligibility
of other public and private providers of training services that are not determined to be automatically eligible.

The Managers recognize that both private non-profit and for-profit providers of training services should be encouraged to participate fully as providers of training services. Since 1980, private sector professional firms have developed extensive programs to serve the growing training needs of our rapidly changing economy and workforce. Research indicates that the training market in the information technology training industry alone totaled $2 billion in 1994, most of this provided by commercial firms. This section of the legislation will enable States to authorize a wide variety of training providers to participate in training programs. This expanded provider involvement will allow program participants to access the training through both public and private providers that will best enable them to enter or re-enter the workforce. By ensuring that one provider is not favored over another, this section provides maximum consumer choice and easy access to services.

140. The House bill requires the State to identify performance-based information to be submitted by service providers. The Senate amendment has no such requirement, other than to identify in the State plan information related to ensuring the accountability of service providers, if a State chooses to offer services through vouchers. (See Note 341)

The Senate recedes with an amendment describing the information that is required to be submitted by providers seeking eligibility under the alternative procedure, and additional information that the Governor may also require.

141. Under the House bill, but not the Senate amendment, the Governor must designate a State agency to collect, verify, and disseminate performance-based information relating to service providers, along with a list of eligible providers, to local workforce development boards and integrated career center systems. (See Note 342)

The Senate recedes with an amendment requiring the Governor to designate a State agency to collect and disseminate the required information, receive applications from providers, and publish a list of eligible providers of training services.
The conference agreement allows States to accept from service providers offering programs not automatically eligible for participation in training programs, performance information consistent with requirements for eligibility under Title IV of the Higher Education Act.

The Managers note that regulations implementing Title IV include provisions regarding the calculation of completion rates (34 CFR 668.8(f)) and of placement rates (34 CFR 668.8(g)). The regulations permit Title IV eligibility only for those programs with substantiated completion rates of at least 70 percent and with substantiated placement rates of at least 70 percent (34 CFR 668.8(e)). States are encouraged to adopt similar standards in establishing their performance information requirements.

142. Under the House bill, but not the Senate amendment, a service provider who provides inaccurate, performance-based information will be disqualified from receiving funds under this Act for two years, unless upon an appeal the provider can demonstrate that the information was provided in good faith. (See Note 343)

The Senate recedes with an amendment providing that providers who intentionally supply inaccurate information shall have their eligibility terminated for at least two years. Providers who fail to meet required performance criteria or otherwise materially violate the provisions of the title may also have their eligibility terminated. The Governor is required to establish an appeals process.

The provision of inaccurate information to the designated State agency is grounds for disqualification of a provider from program participation for two years or longer. The purpose of this provision is to penalize providers that intentionally and fraudulently misrepresent program performance to obtain eligibility. The Managers do not intend that providers be disqualified on the basis of minor errors in information submitted to the designated State agency, such as small errors in math.

143. Under the House bill, but not the Senate amendment, on-the-job training providers are exempt from this section, except that performance-based information on such providers must be collected and disseminated. (See Note 344)
The Senate recedes with an amendment stating that providers of on-the-job training are exempt from these requirements. The Governor may require one-stop career centers to collect and disseminate performance information about on-the-job training providers.

144. The House bill, but not the Senate amendment, provides that nothing in this section prohibits a State from providing services. (See Note 345)

The House recedes.

Accountability

145. Both the House bill and the Senate amendment require States to submit a performance report each year. The House bill, but not the Senate amendment, requires reporting on performance of local areas and local entities; and public disclosure of such reports. The Senate amendment, but not the House bill, requires the results of any on-going State evaluations of workforce development activities. (See Note 163)

The House recedes with an amendment requiring States to submit an annual report on their progress toward meeting their goals and benchmarks.

146. The House bill, but not the Senate amendment, requires States to submit a report for adult education and literacy.

The House recedes.

147. The Senate amendment, but not the House bill, allows States to submit a consolidated workforce development and welfare assistance report to the Federal Partnership, the Secretary of Agriculture, and the Secretary of Health and Human Services.

The Senate recedes.

Core Indicators/Goals and Benchmarks

148. The Senate amendment establishes two principal goals for each statewide system: (1) providing meaningful employment and (2) improving skills.
149. The House bill, but not the Senate amendment, requires each State to develop a statewide performance accountability system. The Senate amendment requires a job placement accountability system. (See Note 165)

150. Under the House bill each State must identify indicators of performance, consistent with State goals, which at a minimum must include core indicators as provided under this section. The Senate amendment requires benchmarks. (See Note 152)

151. The House bill, but not the Senate amendment, requires the Secretaries of Labor and Education to collaborate with States, representatives of business and others to develop technical definitions of core indicators.

152. The House bill requires common core indicators for adults, with additional indicators specifically for adult employment and training, adult education and literacy, and vocational rehabilitation. The House bill also requires core performance indicators for youth. The Senate amendment requires States to develop benchmarks for attaining the goals of meaningful employment and improved skills.

The House recedes with an amendment combining the core indicators for adults in the House bill with the employment benchmarks in the Senate bill and combining the core indicators for youth development and career preparation in the House bill with the education benchmarks in the Senate bill. The amendment also clarifies that employment benchmarks apply to employment and training activities and, where appropriate, to at-risk youth activities and adult education and literacy activities. The education benchmarks apply to vocational education activities, at-risk youth activities, and where appropriate, adult education and literacy activities.
152(a) While certain of the House bill's core indicators are similar to the Senate amendment's benchmarks, the House bill's indicators are organized around youth and adults. The Senate amendment's benchmarks correspond to employment and education.

The House recedes with an amendment requiring States to develop minimum measures for certain specific populations, to measure how these populations are meeting the State's employment and education goals and benchmarks. States may also develop such measures for additional populations.

153. The House bill, but not the Senate amendment, also requires, through the collaborative process, the establishment of goals for improving literacy and progress indicators to evaluate local providers receiving literacy funds.

The House recedes.

154. The Senate amendment, but not the House bill, allows States to use existing performance measures for skills attainment.

The House recedes with an amendment clarifying that the special rule applies to a State that adopts performance indicators, attainment levels, or assessments.

The Managers intend that if a State has already implemented a system of evaluation, that State may use this system rather than developing a new system of measures. The Managers recognize many States have already established rigorous State academic measures for both vocational and non-vocational students and the Managers do not want to duplicate the efforts of these States. The Managers want to make sure however, that if a State desires to change these measures, the Special Rule does not preclude any State from revising their State academic or other standards. The Managers also want to clarify that the decision of whether or not to use existing State measures is a State decision and is not mandated by this bill.

155. Under the House bill, but not the Senate amendment, each State must identify expected levels of performance for local areas, which may be adjusted by the Governor through the collaborative process.

The House recedes.
156. Under the House bill, the Secretaries, through collaboration with States, representatives of business, and others, must identify challenging levels of performance with respect to core indicators. Under the Senate amendment, the Federal Partnership must establish model benchmarks based on existing State efforts.

The House recedes with an amendment providing that the Secretaries shall provide technical assistance to States that request such assistance in the development of State benchmarks, which may include the development of model benchmarks.

If the Secretaries of Education and Labor decide to develop model benchmarks in order to provide effective technical assistance to the States, the Secretaries must do so in collaboration with the States and with other appropriate parties. The Managers intend that this collaborative process include Governors, leading representatives of business and industry, representatives of employees, leaders in education and training, parents, and other interested parties for the identification of challenging benchmarks which States may use as models in development of their own State benchmarks. Such process may also include the development of technical definitions for use by the States in measuring the benchmarks, in order to encourage nationwide comparability of data.

157. The Senate amendment, but not the House bill, provides a process through which States negotiate with the Federal Partnership to determine appropriate benchmark levels.

The Senate recedes.

Incentives

158. Both the House bill and Senate amendment provide incentive grants based on performance. The House bill provides incentive grants and grants for exemplary statewide system design, funded through the adult and employment training grant. [Note: State to local incentive grants are discussed under the heading "Uses of Funds"]

The House and Senate recede.
159. The Senate amendment, but not the House bill, provides incentive grants of up to $15 million annually to States that (1) reach or exceed their benchmarks, (2) reduce the number of welfare recipients, or (3) choose to offer services through vouchers.

The House recedes with an amendment providing that the Secretaries may award incentive grants of not more than $15 million per year to States that reach, exceed, or demonstrate continuing progress toward reaching State benchmarks. In order for a State to be eligible to receive an incentive grant, the Governor and eligible agency must agree on all contents of the State plan. If the State is not eligible for receipt of an incentive grant, the Secretaries shall provide technical assistance to the State upon request. A State that is initially determined ineligible for an incentive grant will have 30 days to revise its benchmarks.

Sanctions

160. The Senate amendment, but not the House bill, allows the Federal Partnership to determine the imposition of sanctions of States that have failed to demonstrate progress toward reaching their benchmarks over three years.

The House recedes with an amendment providing that a State that fails to meet its benchmarks for the 3-years covered by a State plan, may be sanctioned by the Secretaries by up to 10 percent of its total block grant allotment.

161. Both the House bill and the Senate amendment permit the Secretaries to reduce funding for poor performance. The House bill provides for a reduction of 5% based on the State's degree of failure. The House bill also provides for technical assistance.

The Senate recedes with an amendment providing that the Secretaries may determine whether the State's failure to meet its benchmarks was attributable to one or more categories of activities authorized under this title. If so, the Secretaries may provide technical assistance or reduce the portion of the allotment for the responsible category not more than 10 percent.

161a. Under the Senate amendment, but not the House bill, if a State has submitted an integrated plan under section 105(b)(5), the Secretaries may reduce only the portion of funding (up to 5%)
for the category of activities -- workforce employment or
workforce education -- to which the failure is attributable.
States would also be required to transfer an equal percentage of
funds from such reduced category of activities to the other
category and spend such amount in accordance with the integrated
plan.

The Senate recedes.

161b. Under the Senate amendment, but not the House bill, funds
returned by the Secretaries as a result of a reduction may be used
to award incentive grants.

The House recedes with technical amendments.

Local Sanctions and Consequences

162. The House bill, but not the Senate amendment, allows the
Governor, through the collaborative process, to establish criteria
for determining poor performance of local entities.

The House recedes.

162a. The House bill, but not the Senate amendment, allows the
Governor, through the collaborative process, to provide technical
assistance to local workforce development areas that perform
poorly. Continued poor performance may result in a reduction of
funds or other corrective action.

The House recedes.

Evaluations

163. Both the House bill and the Senate amendment provide for
ongoing evaluations of employment-related activities, including
the use of controlled experiments using groups chosen by random
assignment. In the House bill, the Secretary of Labor performs
the evaluations, and in the Senate amendment the States perform
the evaluations. (See Note 417a)

The House recedes with an amendment requiring States to
conduct ongoing evaluations of employment and training activities
through the use of controlled experiments. Such evaluations would
determine, at a minimum, whether employment and training
activities effectively raise the hourly wage rates of participants. States would be required to conduct at least 1 evaluation during any period in which the State is receiving funding, but could enter into an agreement with another State to share the costs of such evaluation.

164. The House bill, but not the Senate amendment, also allows the Secretary of Labor to conduct evaluations of other Federal employment-related programs to determine their effectiveness. (See Note 417b)

The House recedes.

Job Placement Accountability System

165. The Senate amendment, but not the House bill; requires each State to establish a job placement accountability system to provide a uniform set of data to measure progress of the State toward reaching its benchmarks.

The Senate recedes.

Management Information System

166. The House bill, but not the Senate amendment, authorizes each State to design a unified management information system for reporting and monitoring programs and workforce development expenditures. Such system must ensure privacy protections. The Senate recedes with an amendment authorizing States to operate fiscal and management accountability information systems that streamline reporting and monitoring of Federal funds for employment and training activities and at-risk youth activities. In addition, States are authorized to utilize quarterly wage records available through the unemployment insurance system to facilitate reporting on employment benchmarks. The State is required to protect the confidentiality of any information obtained pursuant to the fiscal and management accountability information system through the use of recognized security procedures and shall also comply with the provisions of the Family Education Rights and Privacy Act under Section 444 of the General Education Provisions Act.

Other
167. The Senate amendment, but not the House bill, provides that States monitor the participation of individuals who are engaged in workforce activities as a condition of receiving welfare assistance.

The Senate recedes.

General State Provisions

168. Both the House bill and the Senate amendment include provisions for disallowed costs. Under the House bill, expenditures disallowed by either Secretary for adult employment and training, at-risk youth, or vocational rehabilitation, may be repaid from funds allocated for such grants in subsequent years. Under the Senate amendment, the Governor may deduct workforce employment funds allocated to substate areas in subsequent program years.

The House recedes with an amendment providing that if the Secretaries require a State to repay funds because a local eligible provider of employment and training activities or at-risk youth activities has expended funds in a manner contrary to the objectives of the block grant, and such expenditure does not constitute fraud, embezzlement, or other criminal activity, the Governor may deduct an equal amount from a subsequent program year allocation to the local workforce development area from funds available for administration of such activities in the local area, for such repayment.

Workers' Rights

169. The Senate amendment, but not the House bill, contains limitations on the uses of funds.

The House recedes.

169a. The Senate amendment prohibits funds from being used to pay the wages of incumbent workers.

The House recedes.

169b. The Senate amendment restricts the use of funds in connection with the relocation of businesses.
The House recedes with an amendment clarifying that the business which has relocated was originally located within the United States.

170. Both the House bill and the Senate amendment prohibit the displacement of currently employed workers, although the House bill applies only to the adult employment and training and youth grants.

The House recedes.

171. Both the House bill and the Senate amendment prohibit the impairment of existing contracts. However, the House bill further requires that any program inconsistent with such an agreement must have the approval of the labor organization and the employer.

The Senate recedes with technical amendments.

172. Both the House bill and the Senate amendment prohibit the replacement of terminated employees, although there are several differences in content.

The Senate recedes with technical amendments.

173. Both the House bill and the Senate amendment address health and safety with different standards. The Senate amendment also requires standards for workers' compensation.

The House recedes with an amendment clarifying that to the extent workers' compensation law is applicable in a State, then workers' compensation shall be provided to participants on the same basis as the compensation is provided to other individuals in the State engaged in similar employment.

174. The Senate amendment, but not the House bill, provides standards for employment conditions for subsidized employment.

The House recedes.

175. Both the House bill and the Senate amendment address anti-discrimination through different means.
The Senate recedes with an amendment stating that nothing in this Act shall be construed to modify or affect any Federal or State law prohibiting discrimination on the basis of race, color, religion, sex, national origin, age, or disability and that except as otherwise permitted in law, no individual may be discriminated against with respect to participation in certain workforce and career development activities. In addition, nothing in this Act shall be construed to provide an individual with an entitlement to a service or to establish a right for an individual to bring any action for a violation of a requirement of this section or to obtain services, except through the grievance procedure specified in this section.

The phrase "Except as otherwise permitted in law" is intended to bring Federal workforce and career development activities within the scope of relevant civil rights provisions which recognize specific exceptions to general prohibitions against discrimination. For example, Title IX of the Education Amendments Act of 1972, which prohibits discrimination based on sex in any education program receiving Federal financial assistance, exempts certain institutions, associations and activities from its terms. Since workforce and career development activities may include "education programs" within the meaning of Title IX, institutions, associations and activities that are exempt from Title IX are likewise exempt from this provision's proscription against sex-based discrimination.

176. The Senate amendment, but not the House bill, provides for a grievance procedure and remedies for violations under this section.

The House recedes with an amendment requiring States to establish a grievance procedure for resolving complaints alleging violations of any of the prohibitions or requirements described in this section.

176a. The Senate amendment, but not the House bill, provides remedies that may be imposed under this paragraph for violations of the prohibitions and requirements described in this subsection.

The House recedes with an amendment providing that the Secretary of Labor shall require a State to repay funds expended in violation of the prohibition against business relocation.
GED Requirements

177. The Senate amendment, but not the House bill, prohibits participation in certain workforce employment activities until an individual has obtained a diploma or its equivalent, or is enrolled in a program to obtain the same.

The House recedes with an amendment prohibiting an individual from participating in training services until such individual has obtained a secondary school diploma or its recognized equivalent, or is enrolled in a program or course of study to obtain a secondary school diploma or its recognized equivalent. An individual would not be denied such training services, however, if the requirement is determined to be inappropriate after an interview, evaluation or assessment, and counseling. Funds made available for training services may be used to provide State-approved adult education and literacy activities to help individuals meet the requirement.

Drug Testing

178. The Senate amendment, but not the House bill, requires local providers to administer a drug test to applicants, on a random basis, and to participants, upon reasonable suspicion of drug use.

The House recedes with an amendment providing additional safeguards to the mandatory requirement that States conduct drug testing of participants in training services. Such safeguards include voluntary guidelines based upon the Mandatory Guidelines for Federal Workplace Drug Testing Programs, immunity from liability, prohibition against the use of drug test results in criminal actions, and reporting requirements to prevent unnecessary multiple tests.

American Made

179. The House bill, but not the Senate amendment, includes a provision encouraging the purchase of American-made products.

The Senate recedes with an amendment striking the notice requirement with respect to the purchase of American-made products.

No Entitlement to Services
180. The House bill prohibits private rights of action for services under the adult employment and training title. The Senate amendment provides that no individual is entitled to services under the Act.

The House and Senate recede.

[NEXT NOTE BEGINS WITH 182]

LOCAL ROLE
Establishment of Local Workforce Development Boards

182. The House bill requires the Governor to ensure the establishment of workforce boards within each workforce development area. The Senate amendment allows, but does not require, the State to establish local workforce boards in each substate area. (See Note 130)

The Senate recedes with an amendment requiring the establishment of a local workforce development board in each local workforce development area in a State.

183. Both the House bill and the Senate amendment allow the Governor to establish criteria for use by local chief elected officials in the selection of members of local boards. The House bill requires the Governor to determine the criteria through the collaborative process. (See Note 131)

The House recedes with an amendment requiring the Governor of a State to establish criteria for the appointment of members to local boards, which criteria shall be included in the State plan.

184. Both the House bill and the Senate amendment include minimum requirements for representation on local workforce boards.

The Senate recedes with an amendment requiring a majority of business representatives on the local board.

184a. Both the House bill and the Senate amendment require a majority business representation. The House bill further specifies the types of representatives.
The Senate recedes with an amendment inserting "a majority of members who are representatives of business and industry in the workforce development area appointed from among nominations submitted by local business organizations and trade associations;".

184b. Both the House bill and the Senate amendment require representation of one or more individuals with disabilities.

The House and Senate recede.

184c. Both the House bill and the Senate amendment include representatives of education. The House bill further specifies the types of representatives, including training providers.

The House recedes with an amendment requiring representatives of education on the local board.

184d. Both the House bill and the Senate amendment include representatives of community-based organizations, employees, and veterans. The Senate amendment includes a minimum 25% representation requirement for this category of representatives excluding veterans.

The Senate recedes with an amendment requiring representatives of employees, which may include labor, on the local board. Additional members of the board may include individuals with disabilities, parents, veterans, and community-based organizations.

185. The House bill requires that the local board elect its chairperson from among the members of its board, and allows the board to adopt its operating procedures. The Senate amendment requires that each local board select a chairperson from its business members.

The Senate recedes with an amendment requiring the local board to elect its own chairperson from among the members of the board.

186. The House bill includes provisions governing the selection of members of local workforce boards, including provisions governing the appointment of board members by locally-elected officials, in areas with multiple jurisdictions. The Senate
amendment contains similar provisions governing selection of representatives of local partnerships, but not of local boards (See Note 199c).

The Senate recedes with an amendment authorizing the chief local elected official to appoint the members of the local board. Where a local workforce development area is comprised of more than one unit of local government, the chief elected officials of such units are authorized to enter into an agreement defining their respective roles. If the chief elected officials are unable to reach agreement, the Governor is authorized to appoint the members of the local board.

187. The House bill, but not the Senate amendment, authorizes the Governor to biennially certify one local workforce board for each workforce development area. (See Note 133)

The Senate recedes with an amendment authorizing the Governor to annually certify one local board in each local workforce development area. Such certification shall be based on criteria outlined in the State plan and for a second or subsequent certification the extent to which the local board has ensured that local programs have met expected levels of performance. Failure to achieve certification shall result in reappointment of another local board pursuant to the requirements of this section. A Governor may decertify a local board at any time for fraud, abuse, or failure to perform its required duties (with the exception of the duty to negotiate with the Governor on local benchmarks and on the designation of one-stop career centers).

The references to Governor in the certification process shall mean that the Governor or the Governor's designee is authorized to certify local workforce development boards.

188. Under the House bill, if the workforce development area is a State, the State collaborative process may serve as the local workforce development board. (See Note 133). The Senate amendment contains a comparable provision for the local partnership. (See Note 201)

The Senate recedes with an amendment providing an exception for small States that may designate the members of the collaborative process at the State level to carry out the required activities in this section.
189. The House bill and the Senate amendment list certain duties/functions of local workforce boards.

Legislative counsel.

189a. Both the House bill and the Senate amendment require local workforce boards to develop, and submit to the Governor, a local workforce development plan. The House bill requires a biennial plan, and a local approval process. If the board is unable to obtain the approval of local officials, the plan may be submitted directly to the Governor, with the comments of such officials. The Senate amendment requires a 3-year plan, but contains no comparable local approval process, but does require that the board consult with chief elected officials. (See Note 193).

The Senate recedes with an amendment requiring local boards to conduct the following activities: (1) develop and submit to the Governor a local workforce development plan, outlining the employment and training activities and at-risk youth activities to be carried out in the local area; (2) designate or certify one-stop career center eligible providers in the local area, award competitive grants to at-risk youth eligible providers, and conduct oversight with respect to local programs; and (3) make recommendations to the Governor identifying eligible providers of training services.

190. The Senate amendment, but not the House bill, requires the local board to enter into local agreements with the Governor including how funds shall be spent for workforce development activities. (See Note 199).

The Senate recedes.

191. The House bill requires the local board to identify and assess the needs of the local workforce development area. A similar provision is included in the Senate amendment under the local plan.

The House recedes.

192. The House bill and the Senate amendment contain budget and oversight duties for the local board. (See related Note 192b)
192a. The House bill requires the local board to develop a budget for the adult training and the at-risk youth programs, and the integrated career center system, subject to the approval of the local elected official(s). (See related Note 192b)

192b. The House bill requires the local board (in partnership with the local elected official(s)) to conduct oversight of the above-listed programs. The Senate amendment requires the local board to oversee the operation of the one-stop delivery system, including the designation of local entities and approval of annual budgets. (See related Note 192a)

192c. The Senate amendment, but not the House bill, also requires the local board to submit annual progress reports to the Governor.

193. The Senate amendment requires that the local board's functions be conducted in consultation with the local chief elected official(s). (See Notes 189a, 192a and 192b for related House provisions)

194. The House bill provides that the local board may receive and disburse funds for adult training and at-risk youth programs, or may designate a fiscal agent (which may include the State through...
a mutual agreement between the local board and the State). The Senate amendment contains no comparable provision.

The House recedes.

194a. The House bill allows the local board to employ its own staff. The Senate amendment contains no comparable provisions.

The House recedes.

The Managers agree that statutory language authorizing local boards to employ staff is not necessary, as such authority is implicit in the legislation. Up to 10 percent of employment and training funds and at-risk youth funds distributed to local workforce development areas may be spent on administrative expenses. While local workforce development boards may use a portion of these administrative funds to employ necessary staff (limited to 4 percent under the at-risk youth provisions), the Managers intend that such administrative, and in particular staff expenses of local boards be limited. Because local boards will no longer be involved in the operation of programs (with limited exceptions), as well as the significant reduction of paperwork and reporting requirements as a result of this legislation, the administrative expenses of local boards should be significantly reduced from those currently spent by private industry councils under the Job Training Partnership Act.

195. The House, but not the Senate amendment, specifies that the local board may not operate programs established under this Act. The House bill further allows Governors to prohibit employees of agencies from providing staff support to local boards.

The Senate recedes with an amendment prohibiting local boards from carrying out employment and training activities, unless granted a waiver by the Governor.

Although the conference agreement allows a Governor to waive restrictions that prohibit a local workforce development board from directly providing services, the Managers believe this authority should be exercised only on rare occasions. One example would be in a rural area where a competitive selection process has produced no other qualified service provider with demonstrated expertise. The workforce development board should be the service provider of last resort.
Clearly, a key element of this Act is the reliance on the provision of services by entities who meet certain qualification standards and are able to achieve specified positive outcomes. This, the Managers believe, is best accomplished through an open, fair and competitive process to select entities to provide services to eligible individuals.

196. The House bill and the Senate amendment contain similar conflict of interest provisions. Under the House bill, the Governor is authorized to enforce more rigorous standards. The Senate amendment allows the Governor to determine activities that constitute a conflict of interest. The Senate amendment also prohibits local board members from voting on matters that would benefit immediate family members.

The Senate recedes with an amendment prohibiting the local board from engaging in activities that constitute a conflict of interest and requiring the local board to make available to the public information regarding the board's activities in the local area.

197. The House bill allows the Governor, through the collaborative process, to require local boards to carry out other duties as determined appropriate.

The House recedes.

198. Under the Senate amendment, but not the House bill, if a State elects to establish State and local boards, or elects to offer services through vouchers (starting in the year 2000), it may use up to 50% of its flex account funds for economic development. (See Note 132)

The Senate recedes.

Local Agreements

199. The Senate amendment, but not the House bill, requires the Governor to enter into agreements with local partnerships (or where established, local boards), regarding workforce development activities in each substate area.

The Senate recedes.
199a. Under the Senate amendment, the local partnership (or local board) may make recommendations on the allocation of funds for, or administration of, workforce education activities, in accordance with the Act.

The Senate recedes.

199b. The Senate amendment requires that local partnerships be established by the chief local elected official and includes representation requirements.

The Senate recedes.

199c. The Senate amendment provides for the appointment of the partnership, by local elected officials, in areas with multiple jurisdictions. (See Note 186 for comparable House provision).

The Senate recedes.

199d. The Senate amendment includes required representation of business in the partnership, and a requirement that business representatives have a lead role in the partnership's activities.

The Senate recedes.

199e. The Senate amendment lists the contents of the local partnership agreement.

The Senate recedes.

200. Under the Senate amendment, but not the House bill, if the Governor is unable to reach agreement with the local partnership (or board), the Governor shall provide the local partnership (or board) an opportunity to comment on fund allocation.

The Senate recedes.

201. The Senate amendment allows a State to be treated as a substate area for purposes of the partnership and local board requirements. (See Note 188 for comparable House provision.)

The Senate recedes.
USE OF FUNDS
Education/Youth

202. Both the House bill and the Senate amendment reserve funds for State activities.

The House bill grants general authority to States to conduct State programs and activities using not more than 8% of funds allotted to the State. The Senate amendment requires the State educational agency to carry out statewide workforce education activities using 20% of funds made available to the State. (See Note 218a)

The Senate recedes with a technical amendment providing that the eligible agency shall conduct State programs and activities.

203. The House bill specifically lists 12 permissible activities for which the 8% of State funds may be used. The Senate amendment lists 3 broad categories of permissible activities for which 20% of the State funds may be used.

The Senate recedes with an amendment providing a list of permissible State uses of funds.

203a. The House bill, but not the Senate amendment, allows a State to use money from their 8% State held funds to make performance awards to local communities who have exceeded their performance goals, implemented exemplary youth programs at the local level, or provided exemplary education services and activities for at-risk youth.

The House recedes.

204. The House bill, but not the Senate amendment, requires institutions receiving funds at the local level under the youth development and career preparation grant to use the monies to improve youth development and career-related education programs.

The House recedes with a technical amendment.

205. Both the House bill and the Senate amendment have required uses of funds. The House bill requires that funds received by eligible institutions at the local level for in-school youth programs shall be used for specific programs. The Senate
amendment requires that funds received by the State educational agency shall be used for specific workforce education activities.

The Senate recedes with a technical amendment.

The Managers intend that activities such as purchasing, leasing or upgrading equipment, including instructional material; inservice training of vocational and academic instructors; apprenticeship programs; and those activities which provide strong experience in, and understanding of, all aspects of the industry students are preparing to enter not be precluded from funding at the local level. The bill’s list of required activities is not meant to limit schools and school districts’ ability to find creative ways to meet their education goals.

205a. Both the House bill and the Senate amendment require integration of academic and vocational education, linkages of secondary and postsecondary education, and career guidance and counseling. In addition, the Senate amendment requires tech-prep to be implemented as part of linking secondary and postsecondary education.

The House recedes with an amendment modifying the list of required local uses of funds for vocational education activities.

205b. Both the House bill and the Senate amendment have additional required uses of funds.

The Senate recedes with an amendment with additional required local activities for vocational education.

206. The House bill, but not the Senate amendment, lists eleven additional permissible uses of funds by eligible institutions at the local level for in-school youth programs.

The House recedes.

At-Risk Youth

207. The House bill, but not the Senate amendment, grants general authority for local workforce development boards to subgrant to providers for programs that serve at-risk and out-of-school youth. See Note 283)
The House recedes.

208. The Senate amendment, but not the House bill, grants authority to the Secretary of Labor and Secretary of Education, acting jointly on the advice of the Federal Partnership, to make allotments to States to enable the Secretary of Labor and the States to carry out at-risk youth programs. (See Note 284)

The Senate recedes.

209. The Senate amendment, but not the House bill, requires the Secretary of Labor to continue funding for Job Corps centers who received assistance under part B of title IV JTPA in FY 1996 and which were not closed under section 156. (See Note 285)

The Senate recedes.

210. The Senate amendment, but not the House bill, requires States to use a portion of the funds reserved for Indians and Native Hawaiians to make grants to eligible entities to run summer job programs that provide work-based learning opportunities that are directly linked to year-round school-to-work activities. The Senate amendment further requires that no funds shall be used to displace employed workers. (See Note 286) [Statutory cite to subsection (c)(3) is incorrect. Statutory cite should be subsection (c)(4) which is the allotment for at-risk youth.]

The Senate recedes.

211. The House bill, but not the Senate amendment, lists 8 program elements which local workforce development boards are required to provide for at-risk and out-of-school youth. (See Note 210 for the Senate amendment's required activities.)

The House recedes.

212. The House bill lists additional permissible uses of funds by eligible providers at the local level for at-risk/out-of-school youth programs. (See Note 288). The Senate amendment permits States to make grants to eligible entities to carry out alternative programs or other activities for at-risk youth. The activities are not specifically listed.
The House and Senate recede.

213. The House bill, but not the Senate amendment, limits administrative funds used by a local workforce development board to no more than 10%. (See Note 289)

The House recedes.

214. The House bill, but not the Senate amendment, does not permit local workforce boards to operate programs (See Note 195), and requires that they subcontract to eligible providers. (See Note 290)

The House recedes.

215. The House bill, but not the Senate amendment, lists eligible providers to receive contracts from the local workforce development board including: 1) eligible institutions including local educational agencies, area vocational schools, intermediate educational agencies; postsecondary institutions including community colleges, State corrections educational agency and any consortia of the aforementioned list; 2) local government entities; 3) private, nonprofit organizations including community based organizations; 4) private, for-profit entities; or 5) other organizations or entities that have a demonstrated effectiveness and have been approved by the local workforce development board. (See Note 291)

The House recedes.

Maintenance of Effort

216. The Senate amendment, but not the House bill, requires that States expend the same amount of money, or more, for workforce education activities as they did the preceding fiscal year in order to receive Federal funds. The Senate amendment further provides that the Federal Partnership may grant a waiver to a State for a 95% maintenance-of-effort requirement for 1 year only.

The House recedes with an amendment which provides that if the Federal share for a State decreases, then the fiscal effort required of the State shall be decreased by the same percentage as the percentage decrease in the overall amount made available to
the State. The amendment also corrects a previous calculation of maintenance of effort.

Limitations

Supplement not Supplant

217. Both the House bill and the Senate amendment provide that funds used by a State shall supplement and not supplant other public funds for workforce education and youth development and career preparation programs. The House requirement applies to youth development programs, not adult education. The Senate amendment applies to workforce education programs.

The House recedes with a technical amendment.

Allocation for State/Local Programs

218. Both the House bill and the Senate amendment have a within State allocation. (See related Note 293)

Legislative counsel.

218a. The House bill provides that the Governor, through the collaborative process, allocate not less than 90% of funds to the local level. The Senate amendment provides that the State educational agency distribute 80% of funds to eligible local entities.

The Senate recedes with a technical amendment.

218b. The House bill requires not less than 90% of a State's funds for the youth block grant go to the local level to serve in-school and at-risk/out-of-school youth, not more than 8% for State programs and not more than 2% for administration. The Senate amendment requires that 80% of a State's funds for workforce education go to the local level, and 20% for State activities (with no more than 5% of such 20%) for administration.

The Senate recedes with an amendment providing that not less than 85 percent of funds be distributed to the local level, not more than 11 percent for State programs, and not more than 4 percent for administrative expenses.
219. The Senate amendment provides that the State educational agency shall determine how workforce education funds are allocated among secondary vocational education, postsecondary vocational education and adult education programs. The House bill provides separate funding streams for a youth development and career preparation grant and for an adult education and literacy grant.

The House recedes with an amendment requiring the eligible agency to determine how vocational education funds will be allocated between secondary vocational education and postsecondary and adult vocational education.

220. The House bill, but not the Senate amendment, requires that of the 90% of funds sent to the local level, not less than 40% of the funds must be used for programs serving in-school youth and not less than 40% of the funds must be used for programs to serve at-risk and out-of-school youth. Of the remaining 20% of funds, the Governor, through the collaborative process, can distribute one-half of the remaining funds by formula and one-half by either discretionary grant or formula.

The House recedes.

Within State Formula

221. Both the House bill and the Senate amendment provide for a within State formula.

Legislative counsel.

221a. The House bill requires the Governor, through the collaborative process, to develop a formula taking into account local poverty rates, the proportion of the State's youth population residing within local communities and other factors considered appropriate. In establishing the formula, the Governor shall ensure that funds are equitably distributed throughout the State and that the factors described above do not receive disproportionate weighting.

The House recedes with a technical amendment.

221b. The Senate amendment requires distribution of funds for secondary school vocational education to be distributed according to the current Perkins law formula -- 70% allocated on Title I
ESEA formula, 20% allocated based on the number of children served under IDEA, and 10% allocated on the total number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of local educational agencies.

The House recedes with an amendment providing that the formula for distribution of funds for secondary school vocational education be distributed as follows: 70 percent based on the number of children aged 5 to 17 living in poor families; and 30 percent based on the overall number of students within the local educational agency. The amendment also allows an eligible agency to develop an alternative formula if such formula distributes more funds to local educational agencies with the highest number or percentage of poor students.

The Managers recognize that States are in a better position to know the needs of their State and have therefore provided a waiver which allows the eligible agency the option to develop an alternative own formula which would better target poor areas -- both those with high populations of poor and those with high percentages of poor. The Managers intend that providing a waiver for high percentages of poor will enable more funds to flow to poor, rural areas.

222. Both the House bill and the Senate amendment establish minimum grant awards of $15,000 for a local educational agency or consortium of such agencies.

The House recedes.

223. Both the House bill and the Senate amendment permit a State to grant a waiver for the minimum grant amount in cases where the eligible recipient is located in a rural, sparsely populated area; and demonstrates that they are unable to enter into a consortium for purposes of providing services.

The House recedes with a technical amendment.

224. The Senate amendment, but not the House bill, requires that any funds not allocated by reason of minimum grant award for secondary school vocational education shall be redistributed to local educational agencies.
The House recedes with an amendment allowing an eligible agency to redistribute funds to rural, poor areas.

The Managers are concerned that not enough of the Federal dollars are reaching rural, poor areas. Language is included which creates a source of funds for eligible agencies to distribute to high poverty rural areas which are often in greater need. Funds for this purpose would come from funds not distributed to districts which failed to qualify for the minimum grant. These funds would be distributed only to poor, rural areas that were ineligible to receive formula funds.

225. The Senate amendment, but not the House bill, retains current Perkins law prohibiting funds from being allocated to a local educational agency that serves only elementary schools.

The House recedes.

226. The Senate amendment retains current Perkins law in allocating funds to area vocational education schools or educational service agencies. The House bill provides funding for area vocational education schools and educational service agencies in the within State formula. (See Note 221a)

The House recedes with an amendment striking the requirement that area vocational schools serve more low-income or disabled students than the LEA.

227. The Senate amendment, but not the House bill, retains current Perkins law which provides that funds for postsecondary and adult vocational education shall be distributed according to the formula in current Perkins law which gives priority to institutions serving Pell Grant and Bureau of Indian Affairs recipients. The House bill provides funding for postsecondary education in the within State formula. (See Note 221a)

The House recedes with an amendment striking the reservation for corrections vocational education.

227a. The Senate amendment, but not the House bill, allows the Federal Partnership to waive the postsecondary and adult vocational education formula in favor of a more equitable distribution of funds upon application from the State educational agency.
The House recedes with an amendment striking the additional criteria for the alternative formula.

228. Both the House bill and the Senate amendment establish minimum grant awards of $50,000 to postsecondary institutions or consortium of such institutions.

The House recedes.

229. The House bill, but not the Senate amendment, allows secondary-postsecondary institutions to form consortia to receive grant funds with a minimum award of $50,000.

The House recedes.

230. The Senate amendment, but not the House bill, requires that any funds not allocated by reason of minimum grant awards for postsecondary and adult vocational education shall be redistributed to eligible institutions.

The House recedes.

231. The House bill, but not the Senate amendment, prevents consortium from forming to receive funds and then separate immediately after and divide the funds. The House bill further requires that consortia must form for the purposes established under the youth development and career preparation title and to stay in a consortia arrangement for purposes of delivering services to youth.

The Senate recedes with conforming amendments.

232. The House bill, but not the Senate amendment, establishes minimum grant awards of $15,000 for local workforce development boards to serve at-risk/out-of-school youth. (Section repeated. See Note 295)

The House recedes.

233. The Senate amendment requires States to reserve an amount of funds from the amount they receive for postsecondary and adult vocational education to distribute to State corrections agencies.
The House bill allows States to use funds from their 8% of State monies for corrections education. (See Note 203)

The House recedes with an amendment providing that corrections institutions may receive funds for any of the four authorized activities.

234. The Senate amendment, but not the House bill, includes definitions for "eligible institution," "low-income," and "Pell Grant recipient" that only apply to the within State formula.

The House recedes with an amendment striking the references to "eligible institutions" and "low-income" and moving the definition of "Pell Grant recipient" to the general definitions section.

Local Process for Receipt of Funds

235. The House bill, but not the Senate amendment, states that in order to receive a grant at the local level, the local workforce development board and eligible institution(s) must form a partnership. The purpose of the partnership is to allow for collaborative planning, coordination of programs serving in-school and at-risk/out-of-school youth and allow for effective public participation. (See Note 296)

The House recedes.

236. Both the House bill and the Senate amendment provide for a local application. (The Senate amendment has a separate at-risk application. See related Note 297b)

The House recedes with an amendment requiring local entities to submit an application to the eligible agency for vocational educational funds.

236a. The House bill states that the partnership must develop and submit for approval to the Governor, through the State collaborative process, a comprehensive plan outlining how they are planning to serve both in-school and at-risk/out-of-school youth.

The House recedes.
236b. The Senate amendment requires each eligible entity to submit an application to the State educational agency for funding of workforce education activities (including vocational education activities for youth and adults). The Senate amendment further includes a list of items to be included in the application.

The House recedes with an amendment modifying the local application for vocational education funds.

237. The House bill, but not the Senate amendment, requires the partnership assure the involvement of parents, teachers and the local community in the planning process. (See Note 298)

The House recedes.

238. The House bill, but not the Senate amendment, provides that the Governor, through the collaborative process, is authorized to develop procedures for the resolution of issues in dispute. (See Note 299)

The House recedes.

239a. The House bill outlines that funds directed to the local level from the State to serve in-school youth must go to schools and eligible institutions. Funds directed to the local level from the State to serve at-risk youth will be sent to the local workforce development board to be subgranted to eligible entities for programs to serve at-risk and out-of-school youth.

The House recedes.

239b. The Senate amendment distributes secondary and postsecondary workforce education funds by formula to schools. (See Notes 221, 226, & 227). At-risk youth funds are distributed by competitive grants to local entities. (See Note 300)

The House recedes.

Adult Education and Literacy

240. The House bill and the Senate amendment provide funds for adult education and literacy. The House bill provides a separate Adult Education and Family Literacy Block Grant. The Senate amendment provides that the State educational agency shall
determine how workforce education funds are allocated among secondary vocational education, postsecondary vocational education and adult education and literacy programs. (See Note 219)

The Senate recedes on the requirement that the State educational agency allocate workforce education funds.

241. The House bill, but not the Senate amendment, requires States to use 3% off the top of their Adult Education Block Grant to provide funds, on a competitive basis to local service providers that have provided adult education or family literacy services to certain target populations.

The House recedes.

242. The House bill provides that States may use no more than 12% of funds received under the Adult Education Block Grant, after the deduction of the 3% for target populations, for a variety of specified activities. The Senate amendment lists 3 broad categories of permissible activities for which 20% of workforce education funds reserved at the State level may be used.

The House recedes with an amendment providing that not more than 10 percent of adult education and literacy funds may be spent for a variety of State activities, including professional development, technical assistance, technology assistance, regional literacy networks, and evaluation.

Matching

243. The House bill, but not the Senate amendment, requires that a State receiving a grant shall spend, from non-Federal funds, an amount equal to 25% of the State's initial and additional allotments of the year for adult education and family literacy services.

The Senate recedes with technical amendments.

244. The House bill, but not the Senate amendment, provides that States may use no more than 3% of their block grant, or $50,000, whichever is greater, for planning, administration, interagency coordination and support for integrated career center systems. The Senate amendment requires that 80% of a State's funds for workforce education go to the local level, and 20% for State
activities (with no more than 5% of such 20%) for administration. (See Note 218a)

The Senate recedes with an amendment providing that not more than 5 percent or $50,000 (whichever is greater) of adult education and literacy funds shall be spent on administrative expenses.

245. The Senate amendment, but not the House bill, sets a local administrative cost limit of 5% on agencies, organizations, institutions or consortia which provide adult education instructional activities. Such funds may be used for planning, administration, personnel development and interagency coordination.

The Senate amendment further allows the State educational agency to negotiate with grant recipients in cases where cost limits would be too restrictive to permit them from carrying out allowable activities.

The House recedes with an amendment substituting the references to "State educational agency" with "eligible agency."

Distribution

246. The House bill and the Senate amendment provide for the distribution of funds to local providers.

Legislative counsel.

246a. The House bill provides that States are to use 85% of funds under the block grant to make grants, on a competitive basis, to local service providers. The Senate amendment provides that a State educational agency shall award grants for adult education, on a competitive basis to eligible entities and/or a consortia of such entities.

The House recedes with an amendment requiring that 85 percent of the adult education and literacy funds be allocated to local providers, and lists the entities eligible for assistance.

246b. The House bill and the Senate amendment have similar lists of eligible entities, but the House provision is contained under its "equitable access" provisions. (See Note 247a)
The House recedes with an amendment adding "family literacy services" to a list of eligible entities.

247. Both the House bill and the Senate amendment provide a list of grant requirements.

Legislative counsel.

247a. Both the House bill and the Senate amendment include a provision requiring direct and equitable access to all eligible entities.

The House recedes with an amendment substituting the reference to "State educational agency" with "eligible agency" and restricting the use of adult education and literacy funds for programs that serve non-adult populations, unless such programs are related to family literacy services.

247b. The House bill, but not the Senate amendment, requires a State to give priority to local service providers which demonstrate joint planning with local workforce development boards and integrated career center systems.

The House recedes.

247c. The Senate amendment, but not the House bill, requires States to consider the past effectiveness of applicants in providing services, the degree to which the applicant will coordinate and utilize other literacy and social services available in the community and the commitment of the applicant to serve those in the community who are most in need of literacy services.

The House recedes with technical amendments.

248. The Senate amendment, but not the House bill, allows a State educational agency under certain circumstances to award a grant to a consortium that includes an eligible entity and a for-profit agency, organization or institution.

The House recedes with a technical amendment.
249. The House bill, but not the Senate amendment, allows a local service provider which receives a grant from a State under this subtitle to negotiate with a local workforce development board with respect to receipt of payments for adult education and literacy services provided by a provider to adults referred to the provider by a program supported by other titles of the House bill.

The House recedes.

250. The House bill, but not the Senate amendment, authorizes a local service provider receiving a grant under this block grant to receive payment for adult education and literacy services provided to an adult participating in programs authorized under other titles of the House bill, either in the form of a career grant or by some other means.

The House recedes.

251. The Senate amendment, but not the House bill, requires each eligible entity to submit an application to the State educational agency for funding of workforce education activities (including adult education activities). (See Note 236b)

The Senate recedes.

Use of Funds

252. The House bill requires that local services providers which receive a grant must use such grant to establish or operate one or more programs that provide instruction or services within one or more of the following categories: adult basic education, adult secondary education, English literacy instruction, and family literacy services.

The Senate amendment lists literacy and basic education services for adults and out-of-school youth, including adults and out-of-school youth in correctional institutions and programs for adults and out-of-school youth to complete their secondary education among their list of Workforce Education Activities. (See Senate Section 106(b)(4)(5))

The Senate recedes with an amendment requiring that adult education and literacy funds at the local level be used for adult
education services, English literacy services, and family literacy services.

National Literacy Act

253. Both the House bill and the Senate amendment allocate funds for the National Institute of Literacy.

The House bill reserves $4.5 million in each fiscal year for the National Institute for Literacy. Such funds are reserved at the Federal level before distribution to the States.

The Senate amendment reserves 0.15% of the $5,884,000,000 authorization ($8,830,000) for four programs, including funds for the National Institute for Literacy.

The Senate recedes with an amendment authorizing the appropriation of $10 million for fiscal year 1997 and such sums through fiscal year 2002 for the National Institute for Literacy.

254. Both the House bill and the Senate amendment establish the National Institute for Literacy.

The House bill requires the Institute to be administered under the terms of an interagency agreement entered into by the Secretary of Education with the Secretaries of Labor and Health and Human Services (the Interagency Group).

The Senate amendment requires the Institute to be administered by the Federal Partnership established under the Workforce Development Act of 1995.

The Senate recedes.

255. Both the House bill and the Senate amendment allow the inclusion in the Institute of any research and development center, institute or clearinghouse whose purpose is related to the purpose of the Institute.

Legislative counsel.

256. The Senate amendment, but not the House bill, requires the Institute to have offices separate from the offices of the Department of Education or the Department of Labor.
257. Both the House bill and the Senate amendment require the Interagency Group (Federal Partnership) to consider recommendations of the National Institute for Literacy Advisory Board (National Institute Council) in planning the goals of the Institute and implementing programs to achieve such goals. Both the House bill and the Senate amendment require the daily operations to be carried out by the Director of the Institute.

The Senate amendment, but not the House bill, requires the Federal Partnership to provide a written explanation to the Council if it does not follow the Council's recommendations and allows the Council to request a meeting to discuss the Council's recommendations.

258. Both the House bill and the Senate amendment set forth the duties and activities of the Institute, with differences.

The Senate recedes with an amendment listing the activities for the National Institute for Literacy.

259. Both the House bill and the Senate amendment permit the Institute to award fellowships with stipends and allowances which the Director considers necessary to outstanding individuals pursuing careers in adult education or literacy.

Legislative counsel.

260. Both the House bill and the Senate amendment provide that such fellowships be used to engage in research, education, training, technical assistance or other activities to advance the field of adult education or literacy.

Legislative counsel.

261. The Senate amendment, but not the House bill requires individuals receiving fellowships to be called "Literacy Leader Fellows."

The Senate recedes.
262. The House bill, but not the Senate amendment, allows the Institute to award paid and unpaid internships to individuals seeking to help the Institute. The House bill allows the Institute to accept and use voluntary and uncompensated services as they deem necessary.

The Senate recedes.

263. The House bill establishes the National Institute for Literacy Advisory Board. The Senate amendment establishes the National Institute Council.

The Senate recedes.

263a. Both entities serve in an advisory capacity and consist of ten individuals appointed by the President with the advice and consent of the Senate.

The Senate recedes.

263b. Both the House bill and the Senate amendment require that such individuals may not otherwise be officers or employees of the Federal Government and be representative of entities or groups described in Note 264.

The Senate recedes.

263c. The Senate amendment requires such individuals to be chosen from recommendations made to the President by individuals who represent such entities or groups.

The Senate recedes.

264. Both the House bill and the Senate amendment describe the entities or groups from which members are to be chosen. The only differences are that: a) the House bill, but not the Senate amendment, includes providers of programs and services involving English language instruction; and b) the House bill refers to "representatives of employees" and the Senate amendment refers to "organized labor."

The Senate recedes.
265. Both the House bill and the Senate amendment contain a list of duties for the Board (Council). The duties are the same.

The Senate recedes.

266. The Senate amendment, but not the House bill, requires the Council to be subject to the provisions of the Federal Advisory Committee Act.

The House recedes with an amendment substituting the reference to "Council" with "Board."

267. Both the House bill and the Senate amendment limit the term of members of the Board (Council) to three years. The Senate amendment prohibits a member from being appointed for not more than two consecutive terms. The House bill requires that initial terms for members may be one, two or three years in order to establish a rotation in which one-third of the members are selected each year.

The Senate recedes with an amendment requiring that any member of the Board may not be appointed for more than 2 consecutive terms.

268. Both the House bill and Senate amendment contain the same provisions for appointing members to fill a vacancy which occurs before the expiration of the term for which a member was appointed.

The Senate recedes.

269. Both the House bill and the Senate amendment contain provisions regarding the number of members required to constitute a quorum but allow a lesser number to hold hearings. Both the House bill and Senate amendment require that recommendations be passed only by a majority of its members.

The Senate recedes.

270. Both the House bill and Senate amendment provide for the election of a chairperson and vice chairperson. The House bill provides that each shall serve for a term of one year. The Senate amendment permits such individuals to serve for two years.
271. Both the House bill and the Senate amendment provide that the Board (Council) shall meet at the call of the chairperson or a majority of its members.

272. Both the House bill and the Senate amendment provide for gifts, bequests and devises.

The House bill allows the Institute to accept, administer and use gifts or donations of services, money or property, both real and personal.

The Senate amendment allows the Institute and the Council to accept (but not solicit), use, and dispose of gifts, bequests or devices of services or property for the purpose of aiding or facilitating the work of the Institute or Council. The Senate amendment requires such gifts, bequests or devices of money and proceeds from sales of other property to be deposited in the Treasury and be available for disbursement upon order of the Institute or the Council.

273. Both the House bill and the Senate amendment permit the Board (Council) and the Institute to use the mails in the same manner as other departments and agencies.

274. Both the House bill and the Senate amendment provide that the Interagency Group (Federal Partnership), after considering recommendations of the Board (Council) is to appoint and fix the pay of the Director. The Senate amendment provides that the Director of the Federal Partnership is also to appoint and fix the pay of the staff of the Institute.

275. Both the House bill and the Senate amendment contain provisions regarding the applicability of certain Civil Service laws.
Legislative counsel.

276. Both the House bill and the Senate amendment contain identical provisions with respect to experts and consultants.

The Senate recedes.

277. Both the House bill and the Senate amendment require the Institute to submit a biennial report.

The House recedes.

277a. The House bill requires the report be submitted to the Interagency Group and the Congress. The Senate amendment requires the report be submitted to the appropriate committees of Congress.

The House recedes.

277b. The Senate amendment also includes a list of items which must be included in such report.

The House recedes with technical amendments.

278. The Senate amendment, but not the House bill, provides that funds appropriated to the Federal Partnership, the Secretary of Education, the Secretary of Labor, or the Secretary of Health and Human Services for purposes that the Institute is authorized to perform, may be provided to the Institute.

The House recedes with an amendment striking the reference to "the Federal Partnership."

279. Both the House bill and the Senate amendment address State or Regional Adult Literacy Resources Centers.

The Senate amendment specifically provides for the establishment of a network of State or regional adult literacy resource centers to assist State and local public and private nonprofit efforts to eliminate literacy. The House bill allows States and the Department of Education to fund these activities. (See Notes 242 & 282)

The House and Senate recede.
280. The House bill repeals the National Workforce Literacy Assistance Collaborative. (See Note 449a.) The Senate amendment repeals the authorization of appropriations for the National Workforce Literacy Assistance Collaborative.

The Senate recedes.

280a. Both the House bill and the Senate amendment repeal the Family Literacy Public Broadcasting Program. (See Note 449a for House repeal)

The Senate recedes.

281. The Senate amendment, but not the House bill, extends through the year 2001 the separate program providing literacy for incarcerated individuals. The House bill repeals this program. (See Note 449a for House repeal)

The House recedes.

282. The House bill, but not the Senate amendment, requires the Secretary of Education to carry out a program of national leadership and evaluation activities to enhance the quality of adult education and family literacy programs nationwide. The House bill outlines the list of authorized activities, includes the information to be received from a national evaluation, and allows the Secretary to carry out activities directly or through grants, contracts and cooperative agreements.

The House recedes.

At-Risk Youth

283. The House bill, but not the Senate amendment, grants general authority for local workforce development boards to subgrant to providers for programs that serve at-risk and out-of-school youth. (See Note 207)

The Senate recedes with an amendment providing authority to carry out at-risk youth activities.

284. The Senate amendment, but not the House bill, grants authority to the Secretary of Labor and Secretary of Education, acting jointly
on the advice of the Federal Partnership, to make allotments to States to enable the Secretary of Labor and the States to carry out at-risk youth programs. (See Note 208)

The Senate recedes.

285. The Senate amendment, but not the House bill, requires the Secretary of Labor to continue funding for Job Corps centers who received assistance under part B of title IV JTPA in FY 1996 and which were not closed under section 156. (See Note 209)

The Senate recedes.

286. The Senate amendment, but not the House bill, requires States to use a portion of the funds reserved for Indians and Native Hawaiians to make grants to eligible entities to run summer job programs and provide work-based learning opportunities that are directly linked to year-round school-to-work activities. Senate amendment requires that no funds shall be used to displace employed workers. (See Note 210)

[Statutory cite to subsection (c)(3) is incorrect. Statutory cite should be subsection (c)(4) which is the allotment for at-risk youth.]

The Senate recedes.

287. The House bill, but not the Senate amendment, lists 8 program elements which local workforce development boards are required to provide for at-risk and out-of-school youth. (See Note 286 for the Senate amendment's required activities)

The Senate recedes with an amendment providing required program elements for at-risk youth activities.

288. The House bill lists additional permissible uses of funds by eligible providers at the local level for at-risk and out-of-school youth programs. (See Note 212). The Senate amendment permits States to make grants to eligible entities to carry out alternative programs or other activities for at-risk youth programs. The activities are not specifically listed.

The Senate recedes with an amendment providing additional program elements for at-risk youth activities.
289. The House bill, but not the Senate amendment, limits administrative funds used by local workforce development boards to no more than 10%. (See Note 213)

The House recedes.

290. The House bill, but not the Senate amendment, does not permit local workforce boards to operate programs (See Note 195), and requires that they subcontract to eligible providers. (See Note 214)

The Senate recedes with an amendment prohibiting a local workforce development board from operating programs, but allowing the local board to contract with eligible providers of at-risk youth activities of demonstrated effectiveness.

291. The House bill, but not the Senate amendment, lists eligible providers to receive contracts from the local workforce development board including: 1) eligible institutions including local educational agencies, area vocational schools, intermediate educational agencies; postsecondary institutions including community colleges, State corrections educational agency and any consortia of the aforementioned list; 2) local government entities; 3) private, nonprofit organizations including community based organizations; 4) private, for-profit entities; or 5) other organizations or entities that have a demonstrated effectiveness and have been approved by the local workforce development board. (See Note 215)

The Senate recedes with an amendment allowing Governors or local workforce development boards to approve other organizations or entities of demonstrated effectiveness as eligible providers of at-risk youth activities.

The Managers recognize the demonstrated effectiveness of the Center for Employment and Training (CET), the Youth Build Program and the Opportunities Industrialization Centers of America in providing employment education, training, and placement services to at-risk youth. While it is recognized that States and local workforce development boards require flexibility in choosing the most appropriate training models to meet their individual needs, it is the Managers' intent, where possible, that exemplary models of demonstrated effectiveness such as CET be replicated on the State and local levels.
292. The Senate amendment, but not the House bill, provides that at-risk youth funds be expended in accordance with the State's laws and procedures. (See Note 112)

The Senate recedes.

Allocations for State/Local Programs

293. Both the House bill and the Senate amendment have a within State allocation. (See related Note 218)

The House recedes with a technical amendment.

293a. The House bill requires that not less than 90% of a State's funds for the youth grant go to the local level to serve in-school and at-risk/out-of-school youth, not more than 8% for State programs and not more than 2% for administration. The Senate amendment requires that 85% of a State's funds for at-risk youth activities go to the local level and 15% for State activities.

The House recedes with an amendment distributing funds for at-risk youth activities and outlining the development of a within State formula that must take into account certain factors for the distribution of local funds. The amendment further outlines the awarding of grants. Funds are distributed as follows: 75 percent to local workforce development areas; 21 percent to the Governor; and 4 percent for administrative purposes at the State level.

294. The House bill, but not the Senate amendment, requires that of the 90% of funds sent to the local level, not less than 40% of the funds must be used for programs to serve at-risk and out-of-school youth. Of the remaining 20% of funds, the Governor, through the collaborative process, can distribute one-half of the remaining funds by formula and one-half by either discretionary grant or formula. (See Note 220)

The House recedes.

295. The House bill, but not the Senate amendment, establishes minimum grant awards of $15,000 for local workforce development boards to serve at-risk/out-of-school youth. (See Note 232)

The House recedes.
296. The House bill, but not the Senate amendment, states that in order to receive a grant at the local level, the local workforce development board and eligible institution(s) must form a partnership. The purpose of the partnership is to allow for collaborative planning, coordination of programs serving in-school and at-risk/out-of-school youth and allow for effective public participation. (See Note 235)

The House recedes.

297. Both the House bill and the Senate amendment provide for a local application.

The House recedes.

297a. The House bill states that the partnership must develop and submit for approval to the Governor, through the State collaborative process, a comprehensive plan outlining how they are planning to serve both in-school and at-risk/out-of-school youth. (See Note 236)

The House recedes.

297b. The Senate amendment requires eligible entities to submit an application to the Governor for funding of certain at-risk youth activities.

The House recedes with an amendment requiring entities to submit a local application in order to receive funding.

298. The House bill, but not the Senate amendment, requires the partnership to assure the involvement of parents, teachers and the local community in the planning process. (See Note 237)

The House recedes.

299. The House bill, but not the Senate amendment, provides that the Governor, through the collaborative process, is authorized to develop procedures for the resolution of issues in dispute. (See Note 238)

The House recedes.
300. The House bill outlines that funds directed to the local level from the State to serve at-risk and out-of-school youth will be sent to the local workforce development board to be subgranted to eligible entities. The Senate amendment distributes funds for at-risk youth programs to local entities in part by competitive grants. (See Note 239b for House provision, and Note 297 for Senate provision.)

The House recedes.

Job Corps

301. The Senate amendment contains provisions regarding Job Corps. The House bill has no comparable provisions, but retains Job Corps under current law.

The House recedes.

302. The Senate amendment, but not the House bill, provides for definitions relating to Job Corps which includes a definition for "at-risk youth". (See Note 15 for House definition of "at-risk youth".)

The House recedes with an amendment striking the definition of at-risk youth.

303. The Senate amendment, but not the House bill, provides specific purposes for Job Corps.

The House recedes.

304. The Senate amendment, but not the House bill, establishes a Job Corps program in the Department of Labor.

The House recedes with an amendment striking the reference to the "National Board".

305. Under the Senate amendment, but not the House bill, only at-risk youth are eligible for Job Corps.

The House recedes with an amendment providing requirements to be eligible to become an enrollee of the Job Corps program.
306. The Senate amendment, but not the House bill, requires the Secretary of Labor to prescribe procedures for screening and selecting applicants, after consultation with States and localities.

The House recedes with an amendment striking the references to State workforce development boards and local partnerships.

306a. The Senate amendment, but not the House bill, lists requirements for such screening and selection, provides for their implementation, and requires consultation with individuals and organizations.

The House recedes with an amendment requiring that in addition to other factors, the Secretary of Labor assure that Job Corps enrollees include an appropriate number of candidates selected from rural areas.

306b. The Senate amendment, but not the House bill, contains special limitations on enrollees.

The House recedes.

307. The Senate amendment, but not the House bill, provides requirements for the enrollment in, and assignment to, Job Corps centers.

The House recedes.

308. The Senate amendment, but not the House bill, provides for the eligibility and selection of operators of Job Corps Centers, the character and activities of those centers, and special provisions for Civilian Conservation Centers and centers operated by Indian Tribes.

The House recedes.

309. The Senate amendment, but not the House bill, requires Job Corps centers to provide workforce development activities to meet the needs of enrollees through or in coordination with the statewide system. The Senate amendment also requires the Secretary of Labor to establish a job placement accountability system for Job Corps Centers.
The House recedes with an amendment requiring the Secretary of Labor to establish a fiscal and management accountability system for Job Corps centers and to coordinate its activities, carried out through the fiscal and management accountability systems for States, if any.

309a. The Senate amendment, but not the House bill, provides for advance career training programs for certain Job Corps enrollees.

The House recedes.

309b. The Senate amendment, but not the House bill, provides for full benefits or a monthly stipend for participants in an advanced training program.

The House recedes.

310. The Senate amendment, but not the House bill, provides for personal allowances for Job Corps enrollees.

The House recedes.

311. The Senate amendment, but not the House bill, requires center operators to submit a plan to the Secretary of Labor for approval. The Senate amendment lists the requirements for such plan.

The House recedes with conforming and technical changes.

312. The Senate amendment, but not the House bill, requires the Secretary of Labor to provide standards of conduct, including a zero tolerance policy for violence and drug abuse, to be enforced by the center directors.

The House recedes.

313. The Senate amendment, but not the House bill, directs the Secretary of Labor to encourage community participation and establishes a selection panel for center operators. The Senate amendment also requires each center director to engage in certain community outreach efforts.

The House recedes with conforming and technical changes.
314. The Senate amendment, but not the House bill, directs the Secretary of Labor to ensure that Job Corps enrollees receive counseling and placement.

The House recedes.

315. The Senate amendment, but not the House bill, authorizes the Secretary of Labor to use advisory committees to assist Job Corps activities.

The House recedes.

316. The Senate amendment, but not the House bill, provides that Job Corps enrollees are not to be considered Federal employees except with respect to the Internal Revenue Code, the Social Security Act, Federal workers' compensation, and Federal tort claims.

The House recedes.

317. The Senate amendment, but not the House bill, contains special provisions relating to Job Corps, including directing the Secretary of Labor to take steps to achieve an enrollment of 50% women, State tax exemptions, and minimum management fee requirements.

The House recedes.

318. The Senate amendment, but not the House bill, provides for a review of all Job Corps Centers by March 31, 1997, and lists the requirements for such review.

The House recedes with an amendment requiring the Secretary of Labor to establish a National Job Corps Review Panel consisting of nine persons to conduct a review of Job Corps activities to be completed not later than July 31, 1997.

318a. The Senate amendment, but not the House bill, requires the National Board to make recommendations to the Secretary of Labor on how to improve Job Corps, including the closure of 5 centers by September 30, 1997 and 5 centers by September 30, 2000.
The House recedes with an amendment striking all references to the "National Board" and inserting "National Job Corps Review Panel".

318b. The Senate amendment, but not the House bill, provides that the National Board take into account specific considerations in recommending the closure of centers.

The House recedes with an amendment striking all references to the "National Board" and inserting "National Job Corps Review Panel".

318c. The Senate amendment, but not the House bill, requires the National Board to submit a report of its findings not later than June 30, 1997.

The House recedes with an amendment striking all references to the "National Board" and inserting "National Job Corps Review Panel", and changing the date the report must be submitted from June 30 to August 30, 1997.

318d. The Senate amendment, but not the House bill, requires the Secretary to implement improvements in Job Corps, including the closure of 10 centers, and report annually to Congress.

The House recedes with an amendment requiring the Secretary of Labor, if initiating a new Job Corps center, to make it a priority on placing Job Corps centers in those States without existing Job Corps centers.

The Managers intend that the States without existing Job Corps Centers receive a priority, but that the quality of applications continue to be a primary consideration.

319. The Senate amendment, but not the House bill, provides for the Secretary of Labor to carry out his responsibilities, notwithstanding other provisions of the title.

The House recedes.

320. The Senate amendment, but not the House bill, has an effective date of July 1, 1998 for the Job Corps provisions, except for the report, which will begin immediately.
The House recedes.

Employment and Training Activities

One-Stops/Integrated Career Center System

321. The House bill requires the Governor to ensure the establishment of an integrated career center system by local workforce boards within each workforce development area. The Senate amendment has no comparable provisions. (See Note 134)

   The Senate recedes with an amendment requiring States to establish one-stop career center systems.

322. The House bill, but not the Senate amendment, requires the Governor, through the collaborative process, to establish statewide criteria for selecting career center providers. (See Note 135)

   The House recedes.

323. Both the House bill and the Senate amendment require States to implement a statewide approach to the delivery of employment and training, based on the concept of integrated or one-stop career centers, although the requirements of each bill differ. (See Note 136)

   The Senate recedes with conforming amendments.

323a. The House bill requires a system where common intake, assessment, and job search are provided. The Senate amendment provides as an option, a system where core services are provided, regardless of point of entry.

   The House recedes with an amendment providing that core services may be provided through a network that assures participants that such services will be available regardless of where the participants initially enter the statewide system, including through multiple, connected access points, linked electronically or technologically.

323b. Both the House bill and Senate amendment allow for access points that are electronically or computer linked. The House
bill further provides for the availability of labor market information and common management information across the system.

The House and Senate recede.

323c. The House bill requires at least one physical, co-located career center (to the extent practicable), but encourages a network of such centers combined with affiliated sites. The Senate amendment provides as an option, that there be core services available at not less than one physical location in each substate area, and also allows for a combination of the options listed above.

The House recedes with an amendment providing that core services may be provided through a network of career centers which can provide core services and services authorized under the Wagner-Peyser Act to individuals; at not less than one physical, co-located center in each workforce development area of the State, which provides comprehensive core services to individuals seeking such services; or through some combination of the options described in this section.

323d. The House bill requires that labor market information compiled pursuant to title II of the Wagner-Peyser Act be available through all career centers and affiliated sites. The Senate amendment has no comparable provision.

The Senate recedes with an amendment providing that labor market information, shall be available through the one-stop career center system.

323e. The House bill, but not the Senate amendment, provides that any entity or consortium of entities in a local workforce area may be designated by the local board to operate a career center, and lists certain eligible entities.

The Senate recedes with an amendment listing public and private eligible providers that may be designated or certified to operate a one-stop career center. The amendment also includes an exception providing that elementary and secondary schools shall not be eligible to operate a one-stop career center.
324. Both the House bill and Senate amendment list core services to be provided through integrated career centers or one-stop delivery systems.

The House recedes.

324a. The House bill requires that core services be provided on a universal and non-discriminatory basis, with reasonable accommodations for individuals with disabilities. The Senate amendment contains no such specific provision, but also does not restrict eligibility for core services.

The House recedes with an amendment providing that core services shall be available to all individuals seeking such services.

324b. Both the House bill and Senate amendment require that outreach and intake for services be available, and the Senate amendment includes orientation to services available through the one-stop.

The House recedes.

324c. Both the House bill and Senate amendment include initial assessment of skill levels, service needs, and need for supportive services. However, the two bills differ in what is to be specifically assessed.

The House recedes.

324d. Both the House bill and Senate amendment require job search assistance (the Senate amendment also specifies placement assistance), and career counseling, although the Senate amendment provides for career counseling where appropriate. The House bill also includes career planning based on a preliminary assessment.

The House recedes.

324e. Both the House bill and Senate amendment provide for information related to the local labor market. However, the language differs as to what is required.

The Senate recedes with an amendment providing that one-stop career center systems shall provide accurate labor market
information relating to local and State, and if appropriate, to
regional or national occupations in demand and skill requirements
for such occupations, where available.

324f. The Senate amendment provides for information on the
quality and availability of other workforce employment,
education, and vocational rehabilitation activities, and for
referrals to such programs. The House bill also provides such
information and referral to programs, but refers to specific
programs.

The House recedes with an amendment providing that one-stop
career centers shall provide accurate information relating to the
quality and availability of workforce and career development
activities and vocational rehabilitation activities; referrals to
such programs; and the provision of information related to adult
education and literacy activities through cooperative efforts
with eligible providers of such activities.

324g. The House bill requires that information on eligibility for
Federal education and training programs be provided. The Senate
amendment requires such information on forms of public financial
assistance.

The Senate recedes with an amendment requiring one-stop
career centers to provide eligibility information relating to
unemployment compensation, publicly-funded education and training
programs, and forms of public financial assistance, such as
student aid programs, that may be available in order to enable
individuals to participate in workforce and career development
activities.

324h. The House bill, but not the Senate amendment, requires that
information on the performance of programs be available through
career centers.

The Senate recedes with an amendment requiring one-stop
career centers to provide performance information on eligible
training providers.

324i. The Senate amendment, but not the House bill, requires that
customized screening and referral be provided.

The Senate recedes.
324j. The Senate amendment, but not the House bill, requires information on performance of the substate area with respect to the State benchmarks.

The House recedes with an amendment requiring one-stop career centers to provide information on how the local workforce development areas are performing on their local benchmarks, and any additional performance information provided by the local boards.

324k. The House bill, but not the Senate amendment, requires career centers to accept applications for unemployment compensation. The Senate amendment allows States to co-locate with unemployment compensation services. (See Note 327)

The House recedes.

325. The House bill, but not the Senate amendment, specifies that career centers or affiliated sites may serve as the point of distribution of career grants.

The Senate recedes with an amendment providing that a one-stop career center may serve as the point of distribution of career grants for the purchase of training services.

326. The House bill, but not the Senate amendment, allows career center systems to contract out for core services for individuals with severe disabilities.

The House recedes.

327. Both the House bill and Senate amendment contain different permissible or additional services that may be provided through the integrated career center or one-stop delivery systems.

The House recedes with conforming amendments and inserting additional discretionary one-stop activities.

328. The House bill, but not the Senate amendment, permits the Governor, through the collaborative process, to develop alternatives to the integrated career center system, subject to the approval of the Secretaries.
The House recedes.

Employment and Training Use of Funds

329. The Senate amendment, but not the House bill, requires the following use of funds for workforce employment activities: one-stop delivery of core services; establishment of a labor market information system; and establishment of a job placement accountability system.

The Senate amendment also permits the use of funds for: permissible one-stop activities; other permissible training activities; staff development; incentive grants; and the provision of training services through vouchers.

The House recedes with an amendment requiring that funds made available to a State and local workforce development areas for employment and training activities shall be used to carry out required State and local employment and training activities; to conduct a career grant pilot program; and may be used to carry out permissible State and local employment and training activities.

330. The House bill, but not the Senate amendment, requires that certain mandatory activities be conducted by the State, from funds reserved by the Governor under the Adult Employment and Training grant, including: rapid response activities; and additional assistance for other worker dislocation events.

The Senate recedes with an amendment requiring States to use a portion of their State-held employment and training funds for rapid response assistance; labor market information; and to conduct evaluations.

Discretionary Activities

331. Both the House bill and the Senate amendment list certain discretionary activities. The House bill, but not the Senate amendment, specifically lists certain activities to be carried out by the State, and funded from the Governor's reserve. Under the Senate amendment's, permissible activities under section 106(a)(6)(A) through (N) are listed below, starting with Note 333b.
The House recedes with an amendment inserting a new title "PERMISSIBLE STATE ACTIVITIES", with conforming and technical changes.

331a. Both the House bill and the Senate amendment allow funds to be used for staff development and training, but the House bill further allows for capacity building.

The House recedes with an amendment allowing a State to use State funds to provide professional development and technical assistance.

331b. Both the House bill and the Senate amendment allow for incentive grant awards, but the House bill further allows for research and demonstration.

The House recedes with an amendment allowing a State to use State funds to provide incentive grants to workforce development areas for exemplary performance in reaching or exceeding benchmarks.

331c. In addition, the House bill allows States to use State reserve funds for incumbent worker training; assistance for career center systems; support for a common management information system; and training in nontraditional employment.

The House recedes with an amendment allowing additional permissible State activities including: certain economic development activities; implementation of efforts to increase the number of individuals trained and placed in nontraditional employment; other employment and training activities that the State deems necessary to assist local workforce development areas; a fiscal and management accountability system; the establishment of the one-stop career center system; and the career grant pilot program.

332. The House bill requires that adult employment and training grant funds be used to provide core services to adults through career center systems. The Senate amendment requires that workforce employment funds be used to provide core services through one-stop delivery. (See Note 324)

The House recedes.
333. The House bill, but not the Senate amendment, requires that adult employment training grant funds be used to provide intensive services, through career center systems, to adults who are unable to obtain employment through core services, but provides discretion on the types of services. The Senate amendment provides that intensive services are a permissible one-stop delivery activity. (See Note 327)

The Senate recedes with an amendment providing that funds made available to local workforce development areas shall be used to provide core services to individuals through the one-stop career center system of the State; and to provide training services to individuals who are unable to obtain employment through the core services and who after an interview, evaluation or assessment, and counseling, have been determined to be in need of training services.

333a. The House bill, but not the Senate amendment, specifies that intensive services may include: comprehensive and specialized assessments; individual employment plans; identification of employment goals; group or individual counseling and career planning; case management; and follow up counseling for up to 1 year.

The House recedes.

333b. Both the House bill and the Senate amendment permit the use of funds for case management and follow-up services.

The Senate recedes with an amendment authorizing training services which may include occupational skills training; on-the-job-training; skills upgrading and retraining for persons not in the workforce; and basic skills training when in combination with at least one of the other services listed.

334. The House bill requires that adult employment training grant funds be used to provide education and training services for only those adults who are unable to obtain employment through core or intensive services, and who are unable to obtain other grant assistance, but provides discretion on the types of education and training services. The Senate amendment does not require funds to be spent on such training activities, nor are there prerequisites for obtaining such services.
The Senate recedes with an amendment requiring that funds may be used to provide training services for individuals who are unable to obtain other grant assistance for such services, including Federal Pell Grants established under title IV of the Higher Education Act of 1965; or who require assistance beyond that made available from other grant assistance programs including Federal Pell Grants. The amendment also provides that training services may be provided to an individual while an application for a Pell grant is pending, provided that if such individual is subsequently awarded a Pell grant, appropriate reimbursement is made to the workforce development area from such Pell grant.

334a. The House bill and the Senate amendment include comparable training services as permissible uses of funds, but also include different additional services.

The House recedes.

334b. The House bill permits funds to be used for remedial education and literacy programs. The Senate amendment provides for such services under workforce education activities.

The House recedes.

334c. Both the House bill and the Senate amendment allow for: occupational skills training, on-the-job training, programs that combine workplace training with related instruction; skill upgrading and retraining; entrepreneurial training; employability training; and customized training. The House bill also allows private sector training. The Senate amendment also includes: preemployment training for youth; rapid response assistance; connecting activities for businesses to provide work-based learning for youth; and services to assist individuals in attaining industry-based skills.

The House and Senate recede.

335. Both the House bill and the Senate amendment list supportive services as an allowable use of funds. However, the House bill limits such assistance.

The Senate recedes with an amendment providing for additional permissible services including supportive services.
which may be provided to individuals who are receiving training services; and who are unable to obtain such supportive services through other programs providing such services. Follow-up services for individuals who are placed in unsubsidized employment are also authorized.

335a. The House bill, but not the Senate amendment, specifies the allowable use of needs-related payments, with specific education and training participation requirements.

The Senate recedes with an amendment to add as a permissible local activity, the provision of needs related payments to individuals enrolled in training programs in order to enable their participation in such training services. In addition, certain time limits and payment caps were added for the provision of such payments.

336. The House bill, but not the Senate amendment, requires local boards to establish a priority process for providing intensive, or education and training services to dislocated workers and economically disadvantaged individuals when funding is limited.

The Senate recedes with an amendment to require that priority be given to dislocated workers and other unemployed individuals for receipt of training services with guidance provided to one-stop career centers by the Governor and local boards in establishing such policies.

The Managers agree that priority should be given to dislocated workers and other unemployed individuals in the provision of training services, when funding is limited. Such priority for services is consistent with the employment-first approach to training taken under the employment and training component of this legislation. This priority language however, is not intended to preclude the provision of training services to other individuals, particularly to low income employed individuals, for which training is essential to obtain high skilled employment. Substantial flexibility is granted to States and local workforce development areas in making such individual determinations.

Career Grants/Vouchers
The House bill requires that education and training services for adults be provided through the use of career grants (vouchers), with providers identified in accordance with section 108 of the House bill. Such grants must be provided through the career center system. The Senate amendment allows, but does not require States to deliver some or all of the permissible employment activities under section 106(a)(6) through vouchers administered through the one-stop system.

The Senate amendment restricts the receipt of vouchers to individuals age 18 or older, who are unable to obtain Pell grants. The House bill also restricts receipt of career grants (vouchers). (See Note 334)

The Senate recedes with an amendment clarifying that training services may be provided through the use of career grants, and requiring States to carry out a career grant pilot program for dislocated workers that is of sufficient size, scope and quality to measure the effectiveness of the use of such a method of service delivery. The amendment requires States to describe in their State plan how the State will establish and implement the required career grant pilot program for dislocated workers and a description of how the State, after 3 years, will evaluate such program and use such findings to improve the delivery of training services for dislocated workers and other individuals. The amendment also requires that all training services shall be provided through the use of career grants, contracts, or other methods that shall to the extent practicable, maximize consumer choice in the selection of an eligible provider.

The House bill, but not the Senate amendment, provides 4 exceptions to the required use of vouchers.

The House recedes.

The House bill, but not the Senate amendment, allows a 3-year transition for the full implementation of vouchers, from the date of enactment.

The House recedes.
337c. The House bill, but not the Senate amendment, requires that education and training be directly linked to occupations in demand.

The Senate recedes.

338. Under the Senate amendment, but not the House bill, States that choose to use vouchers must describe in the State plan criteria for the activities, the amount of funds and the eligibility of participants and providers.

The Senate recedes.

339. The House bill requires an identification process for determining which service providers are eligible to receive funds for adult training or vocational rehabilitation programs. The Senate amendment has no such requirement, other than to identify in the State plan the criteria for eligible providers, if a State chooses to offer services through vouchers. (See Note 138)

The House and Senate recede.

340. The House bill, but not the Senate amendment, establishes an alternative eligibility procedure for service providers that are not eligible to participate in title IV of the Higher Education Act. (See Note 139)

The House recedes.

341. The House bill requires the State to identify performance-based information to be submitted by service providers. The Senate amendment has no such requirement, other than to identify in the State plan information related to ensuring the accountability of service providers, if a State chooses to offer services through vouchers. (See Note 140)

The House and Senate recede.

342. Under the House bill, but not the Senate amendment, the Governor must designate a State agency to collect, verify, and disseminate performance-based information relating to service providers, along with a list of eligible providers, to local workforce development boards, and integrated career center systems. (See Note 141)
343. Under the House bill, but not the Senate amendment, a service provider who provides inaccurate performance-based information will be disqualified from receiving funds under this Act for two years, unless upon the appeal, the provider can demonstrate that the information was provided in good faith. (See Note 142)

344. Under the House bill, but not the Senate amendment, on-the-job training providers are exempt from this section, except that performance-based information on such providers must be collected and disseminated. (See Note 143)

344a. The House bill, but not the Senate amendment, provides that nothing in this section prohibits a State from providing services. (See Note 144)

345. The Senate amendment, but not the House bill, requires a State that chooses to provide training activities must indicate in the State plan the extent to which the State will use vouchers to deliver such training activities.

Substate Allocation

346. The Senate amendment, but not the House bill, provides that funds made available for workforce employment activities (less Wagner-Peyser funds), and funds from the flex account dedicated to workforce employment activities, are available to the Governor to distribute as provided in the next Note. (See Note 347)

347. The House bill allows Governors to reserve up to 20% of the State's allotment under the adult training grant for statewide
activities and administration. From this 20% reserve, States are limited to 25% for administration. The Senate amendment allows Governors to reserve up to 25% to carry out workforce employment activities. From this 25% reserve, States are limited to 20% for administrative expenses.

The House recedes with an amendment requiring that of the funds made available for employment and training activities for a program year, 20 percent shall be reserved by the Governor to carry out State employment and training activities; and not more than 5% shall be made available for administrative expenses at the State level.

347a. The House bill requires that Governors allocate the remainder of funds to workforce development areas. The Senate amendment requires that Governors distribute 75% of funds to local entities.

The House recedes with an amendment requiring that of the funds made available for employment and training activities for a program year, 75 percent shall be distributed by the Governor to local workforce development areas to carry out employment and training activities.

347b. The House bill requires that of the funds to be distributed to workforce development areas, 90% be allocated based on a substate formula, established by the Governor, through the collaborative process and after consultation with local officials, taking into account: poverty rates; unemployment rates; the State's adult population within each local workforce area; and other factors as considered appropriate. The formula must distribute funds equitably, and none of the factors can receive disproportionate weighting.

The Senate amendment requires the Governor to distribute the 75% of funds to local entities based on such factors as the relative distribution among substate areas of individuals who are not less than 15 and not more than 65; individuals in poverty, unemployed individuals, and adult recipients of assistance. The Senate amendment also allows Governors, in consultation with local partnerships (or local boards) to include such additional factors as determined necessary.
The Senate recedes with an amendment requiring that the Governor develop a formula for the allocation of 75 percent of the employment and training funds to workforce development areas that must take into account certain factors for the distribution of local funds.

347c. The House bill, but not the Senate amendment, allows the Governor discretion over 10% of the funds required for distribution to local workforce boards.

The House recedes.

348. The House bill limits the administrative costs of the local workforce development board to 10%. The Senate has no comparable provision.

The House recedes with amendment striking "board" and inserting "area."

Flex Account

349. The Senate amendment, but not the House bill, allows the use of flex-account funds for school-to-work, workforce employment activities, workforce education activities and economic development.

The House recedes with an amendment striking "WORKFORCE".

350. The Senate amendment, but not the House bill, requires States to use a portion of flex account funds for school-to-work activities, broadly defined. However, any State receiving a grant under the School-to-Work Opportunities Act of 1994, must continue such activities under the terms of the grant.

The Senate recedes.

351. Under the Senate amendment, but not the House bill, States may use flex account funds for either training activities or education activities, as the State decides.

The House recedes with an amendment allowing States to use flex-account funds to carry out employment and training, at-risk youth, vocational education, and adult education and literacy activities.
352. Under the Senate amendment, but not the House bill, a State may engage in economic development activities if the State has established State and local workforce development boards or provides services through vouchers beginning in the year 2000. A State may use up to 50% of the flex account funds to engage in the listed activities for upgrading skills of incumbent workers.

The Senate recedes.

**FEDERAL**

*Administrative Partnership*

353. The Senate amendment, but not the House bill, establishes in the Department of Labor and the Department of Education a Workforce Development Partnership ("Federal Partnership"), under the joint control of the Secretary of Labor and the Secretary of Education, to administer the Act.

The House recedes with an amendment requiring the Secretary of Labor and the Secretary of Education to enter into an interagency agreement to administer the provisions of this title, other than sections relating to vocational education, labor market information and national literacy activities.

354. Under the Senate amendment, but not the House bill, the Secretary of Labor and the Secretary of Education, working jointly through the Federal Partnership, will be responsible for activities including: approving State plans and benchmarks, making allotments to States, awarding annual incentive grants, applying sanctions, designing the transfer of personnel and activities to the Partnership, and disseminating information and providing technical assistance to States.

The House recedes with an amendment requiring the Secretary of Labor and the Secretary of Education to agree on the administration of this title.

355. Under the Senate amendment, but not the House bill, the Federal Partnership will be directed by a National Workforce Development Board, composed of 13 members, appointed by the President by and with the advice and consent of the Senate, including: 7 representatives of business and industry, 2
representatives of labor and workers, 2 representatives of adult and vocational education, and 2 Governors.

The Senate recedes.

356. Under the Senate amendment, but not the House bill, the Federal Partnership will be responsible for activities including: overseeing the development and implementation of the nationwide integrated labor market information system, establishing model benchmarks, negotiating State benchmarks, receiving and reviewing reports, preparing an annual report on the performance of States toward reaching the benchmarks, advising the Secretary of Labor and the Secretary of Education regarding the review and approval of State plans and procedures for awarding incentive grants and applying sanctions, reviewing Federal programs and recommending how they could be integrated into State systems, and reviewing any issues about which the Secretary of Labor and the Secretary of Education disagree and making recommendations to the President regarding their resolution.

The Senate recedes.

357. The Senate amendment, but not the House bill, provides for the appointment by the President of a Director, by and with the advice and consent of the Senate, to administer the general duties of the Federal Partnership.

The Senate recedes.

358. The Senate amendment, but not the House bill, provides for the transfer of personnel from the Employment and Training Administration (ETA) within the Department of Labor and the Office of Adult and Vocational Education (OAVE) within the Department of Education to the Federal Partnership.

The Senate recedes.

358a. The Senate amendment, but not the House bill, requires the Secretaries to submit a proposed workplan outlining the transfers to be made to the Federal Partnership.

The House recedes with an amendment requiring the Secretaries to prepare and submit to the President and the appropriate committees of Congress, not later than 180 days after
the date of enactment, an interagency agreement which includes a description of how the Secretary of Labor and the Secretary of Education will work together to carry out their duties and responsibilities under this title.

358b. The Senate amendment, but not the House bill, provides that the National Board shall review the Secretaries' workplan. The National Board may reject the workplan and submit their own workplan to the President outlining the transfers to be made to the Federal Partnership.

The Senate recedes.

358c. Under the Senate amendment, but not the House bill, the President shall make a decision regarding the implementation of such workplan.

The House recedes with an amendment requiring the President within 200 days to approve or disapprove the interagency agreement, and make recommendations on an alternative plan, in the event such agreement is not approved.

358d. The Senate amendment, but not the House bill, provides that if the Secretaries do not submit a workplan, the President shall delegate full responsibility for the administration of this Act to either the Secretary of Labor or the Secretary of Education.

The Senate recedes.

359. The Senate amendment, but not the House bill, requires an initial one-third reduction in the number of Federal employees necessary to perform the functions associated with the Federal administration of the Act. Not later than 5 years after the date of initial transfers to the Federal Partnership there must be a 60% reduction in the number of Federal employees, unless the Secretaries submit a report to Congress stating why such reduction has not occurred. However, there must be a minimum 40% reduction in the number of Federal employees.

The House recedes with an amendment making technical changes.
360. The Senate amendment, but not the House bill, provides that personnel from ETA and OAVE that do not perform functions related to the administration of the Act will be transferred to other entities in the appropriate department.

The Senate recedes.

361. The Senate amendment, but not the House bill, requires the Secretaries to submit an additional workplan outlining the transfers of individuals to entities other than the Federal Partnership.

The Senate recedes.

362. The Senate amendment, but not the House bill, eliminates the Office of Adult and Vocational Education (OAVE) within the Department of Education and the Employment and Training Administration (ETA) within the Department of Labor on July 1, 1998.

The Senate recedes.

Wagner-Peyser (Employment Service)

363. The Senate amendment, but not the House bill, amends section 1 of the Wagner-Peyser Act to provide that the Federal Partnership shall oversee the activities of the Employment Service.

The Senate recedes.

364. Both the House bill and the Senate amendment amend section 2 to reflect the repeal of the Job Training Partnership Act and to conform the definitions and terms to each of the appropriate bills.

The Senate recedes with technical and conforming amendments.

365. Both the House bill and the Senate amendment amend section 3, the duties of the Federal government, by requiring the Secretary of Labor (or the Federal Partnership in the Senate amendment) to assist in the coordination and development of a nationwide system of labor exchange services for the general public, to assist in the development of continuous improvement
models for such nationwide system which ensures private sector satisfaction and meets the demands of jobseekers, and to ensure the continued services for individuals receiving unemployment compensation.

The House recedes with an amendment requiring the Secretary of Labor to assist in the coordination and development of a nationwide system of labor exchange services for the general public, provided as part of the one-stop career center systems of the States; assist in the development of continuous improvement models for such nationwide system that ensure private sector satisfaction with the system and meet the demands of jobseekers relating to the system; and ensure, for individuals otherwise eligible to receive unemployment compensation, the continuation of any activities in which the individuals are required to participate to receive the compensation.

366. The Senate amendment, but not the House bill, makes conforming amendments to the Unemployment Compensation Amendments of 1976.

The House recedes.

367. Both the House bill and Senate amendment amend section 4 to require the Governor (and in the House bill, the Governor through the collaborative process) to designate a State agency to carry out the Act.

The House recedes with an amendment inserting "in consultation with the State legislature".

367a. In the House bill, the designated State agency cooperates with the Secretary of Labor. In the Senate amendment, such agency cooperates with the Federal Partnership.

The Senate recedes.

368. The House bill requires that 25% of the funds available under the Wagner-Peyser Act be used to cover both the current BLS programs (funded under sec. 14) and to support State/local labor market information.

The House recedes.
369. The Senate amendment, but not the House bill, amends section 5(c) to strike an obsolete provision.

The House recedes.

370. Both the House bill and the Senate amendments amend section 7 to conform with the repeals of the Job Training Partnership Act and the Carl D. Perkins Vocational and Applied Technology Education Act.

The House recedes with an amendment striking "Workforce Development Act of 1995" and inserting "Workforce and Career Development Act of 1996".

370a. The Senate amendment, but not the House bill, requires that labor exchange services be provided through the one-stop career center system. The House bill has a similar provision in its definition of "Public Employment Office."

The House recedes with an amendment striking "through" and inserting "as part of".

371. Both the House bill and the Senate amendment amend section 8 to require States to submit detailed plans for carrying out this Act as a part of their workforce development plans.

The Senate recedes with an amendment requiring that any State desiring to receive assistance under the Wagner-Peyser Act shall submit to the Secretary, as part of the State plan under the Workforce and Career Development Act, plans for carrying out the provisions of the Wagner-Peyser Act.

372. Both the House and Senate bills repeal section 11, the Federal Advisory Council.

The Senate recedes.

373. Both the House bill and the Senate amendment include conforming amendments.

The Senate recedes with an amendment striking reference to "Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act" and inserting "the Workforce and Career Development Act of 1996".
Labor Market Information

374. The Senate amendment, but not the House bill, requires States to use a portion of their workforce employment funds to pay for a statewide labor market information system. (See Note 368 for related House provision)

The Senate recedes.

375. The House bill, but not the Senate amendment, places the labor market information activities under the Wagner-Peyser Act.

The Senate recedes with an amendment authorizing an appropriation of $65 million for fiscal year 1998 and such sums through fiscal year 2002.

375a. The House bill, but not the Senate amendment provides a purpose.

The House recedes.

376. The House bill provides the Secretary of Labor with the responsibility for the LMI system. The Senate amendment provides this responsibility to the Federal Partnership. Both the House bill and the Senate amendment list comparable elements of the nationwide LMI system, with language differences.

The House recedes with an amendment requiring the Secretary of Labor, in accordance with this section, to oversee the maintenance and continuous improvement of the system of labor market information.

The Managers commend the National and State Occupational Information Coordinating Committee (NOICC/State) for leadership in building the foundation for the existing labor market information system, which includes occupational information. Further, the Managers assume that the Federal and State governments will build upon the NOICC/State initiatives in the development of occupational, career and consumer information delivery systems and related products, the training of professionals in the use of labor market information in career decision making, the support of career development programs, and
in coordinating a multi-agency approach in building upon the existing labor market information system.

At the State level, the Managers encourage Governors and State agency heads to use the SOICC to carry out the collaborative, interagency process in building upon the existing statewide labor market information system. Further, at the Federal level, the Managers wish to make clear that the NOICC may be used during transition to support the labor market information system activities of the Department of Education and the Department of Labor and encourage the continued use of NOICC expertise under the improved system.

376a. The House bill specifies that data may include data aggregated by demographic characteristics. The Senate amendment states that data may be from "cooperative statistical" programs.

The Senate recedes with an amendment to include within the system of labor market information statistical programs of data collection, compilation, estimation and publication conducted in cooperation with the Bureau of Labor Statistics.

The specific cooperative statistics program currently managed by the Bureau of Labor Statistics include: Current Employment Statistics (CES), Local Area Unemployment Statistics (LAUS), Occupational Employment Statistics (OES), and Mass Layoff Statistics (MLS). The Managers intend that these programs will continue to be authorized under the Wagner-Peyser Act and that this legislation will not alter the way they are funded. The Bureau of Labor Statistics will continue to justify funding levels through the appropriations process, as it has in the past, including its request for non-trust funds money.

376b. The House bill includes data on individuals with severe disabilities and clarifies that data under this part are available from the Bureau of Census and other sources. The Senate amendment specifies that such data should be current and be collected from populations at the substate, State and national level.

The House and Senate recede.

376c. The House bill, but not the Senate amendment, specifies that data shall be maintained in an aggregated fashion and
specifies that such data are available from the Bureau of Census and other sources.

The House and Senate recede.

376d. The House bill, but not the Senate amendment, clarifies that information such as the unemployment insurance wage data records may be used.

The House and Senate recede.

376e. The Senate amendment, but not the House bill, specifies the form in which employment and consumer information shall be collected.

The Senate recedes with an amendment requiring that State and local employment information include other appropriate statistical data related to labor market dynamics which will assist individuals to make informed choices related to employment and training and assist employers to locate and train employees who are seeking employment and training.

The Managers intend that the State-based data collection and analysis be produced in a way as to produce a common set of labor market products and services that will be consistently available in all parts of the country and that, at the same time, will meet the unique needs of States and localities. The primary customers of the State and local products and services will be job seekers, employers and counselors. The consumer information, as described under Section 121, and other information supplied by the States and local workforce development boards will also be useful to these customers. To the extent feasible, the core products and services are expected to include: profiles of employers in the local labor market, including job openings, locations, hiring requirements, the nature of the work, employment requirements, wages, benefits, and hiring patterns - as such information is volunteered by employers; aggregate data related to the employment and training needs and skill levels of job seekers in the local labor market area.

376f. The House bill would profile "employers" as opposed to "industries" as in the Senate amendment. The House bill, but not the Senate amendment would also collect information on hiring patterns.
The House and Senate recede.

376g. The House bill, but not the Senate amendment, specifies that aggregate data shall be maintained.

The House and Senate recede.

376h. The House bill includes collection of information on the level of satisfaction of the participants and their employers and would also require the collection of descriptive information on programs (beyond performance).

The Senate amendment requires that the performance data include the percentage of program completion, while the House bill refers to summary data on program completion.

The House and Senate recede.

376hh. The House bill and the Senate amendment provide for technical standards.

The Senate recedes with an amendment to include within the system of labor market information technical standards for data and information which at a minimum, meet the criteria of chapter 35 of title 44.

The technical standards in Section 139(a) will ensure the standardization of data and will ensure that data from one State can be compared with data available in another State. Technical standards are important because of the mobility of the U.S. workforce and the number of States with multi-State labor markets. These technical standards, to the extent practicable, are also intended to cover the consumer information in this Act.

376i. The Senate amendment, but not the House bill, also includes standardized definitions of labor market terms related to State benchmarks.

The House and Senate recede.

376j. The Senate amendment, but not the House bill, clarifies that the collection and analysis should be of labor market and occupational information.
The House and Senate recede.

376k. The Senate amendment, but not the House bill, specifies occupational information.

The House and Senate recede.

376l. The House bill uses the term "Federal," the Senate version uses the term "national" for the purposes of policymaking.

The Senate recedes with an amendment to include within the system of labor market information analysis of data information for uses such as State and local policymaking.

376m. The Senate amendment, but not the House bill, also specifies research on occupational dynamics.

The House and Senate recede.

376n. The House bill, but not the Senate amendment, includes the standardization of technical standards and the design of user interfaces and communication protocols.

The Senate recedes with an amendment to include within the labor market information system the wide dissemination of data and analysis, training for users of the data and analysis, and voluntary technical standards for dissemination mechanisms.

376o. The House bill includes programs providing assistance in using systems to improve access to individuals to labor market information. The Senate amendment includes programs in the area of continuous improvement of data and provides for the training of counselors, teachers and others in using the LMI system to improve career decisionmaking.

The Senate recedes with an amendment to include within the system of labor market information programs of research and demonstration, and technical assistance for States and localities.

377. The House bill, but not the Senate amendment, specifies that statistical information collected as part of the LMI system would be subject to a number of confidentiality requirements.
The Senate recedes with an amendment requiring that no officer or employee of the Federal Government or agent of the Federal Government may use the information furnished under the provisions of this section for any purpose other than the statistical purposes for which it is furnished; make any publication whereby the data contained in the information so furnished under this section can be used to identify any individual; or permit anyone other than the sworn officers, employees or agents of any Federal department or agency to examine individual reports through which the information is furnished.

378. Under the House bill, but not the Senate amendment, any information collected as part of the LMI system may not be used against an individual in a legal process.

The Senate recedes with an amendment providing that nothing in this subparagraph shall be construed as providing immunity from the legal process for information that is independently collected or produced for purposes other than for purposes of this section.

379. Both the House bill and the Senate amendment outline the cooperative administrative structure for the LMI system, but the House bill refers to local entities as part of such structure.

The Senate recedes with an amendment providing that the labor market information system be planned, administered, overseen, and evaluated by a cooperative governance structure involving the Federal Government, States, and local entities. The amendment also specifies certain duties for the Secretary of Labor.

380. The House bill, but not the Senate amendment requires the Secretary of Labor to carry out specific duties with respect to data collection.

The House recedes.

381. The House bill requires the Secretary, in collaboration with Bureau of Labor Statistics to carry out additional duties.
The Senate amendment requires plan information regarding such duties.

The House recedes.

382. The House bill, but not the Senate amendment, clarifies that the annual plan is part of the DOL budget submitted to Congress. As such, it is the written justification for the use of these funds and for the priority of these funds for the following fiscal year. Both the House bill and the Senate amendment require the plan to include various elements. To the extent that both bills include similar elements, there are differences in content.

The House recedes with an amendment requiring the Secretary of Labor, in collaboration with the States and the Bureau of Labor Statistics, and with the assistance of other appropriate Federal agencies, to prepare an annual plan that shall describe the cooperative Federal-State governance structure for the labor market information system.

383. The House bill requires that the plan be developed through a formal process involving the Secretary of Labor, Bureau of Labor Statistics and State directors of LMI, whereas the Senate amendment requires a description of formal consultations.

The Senate recedes with an amendment requiring the Secretary of Labor and the Bureau of Labor Statistics, in cooperation with the States, to develop the plan by holding formal consultations with State representatives who have expertise in labor market information; and pursuant to a process agreed upon by the Secretary of Labor and the States, representatives from each of the Federal regions of the Department of Labor; and employers or representatives of employers.

384. Both the House bill and the Senate amendment allow for representatives of the Governor to participate in deliberations relating to budget issues for the development of the annual plan.

The House and Senate recede.

385. Under both the House bill and the Senate amendment, the Governor must designate a single State agency (or entity in the Senate amendment) to be responsible for the management of the
statewide LMI system. Under the House bill this agency would also have an oversight role. In the Senate amendment, the oversight function would be carried out under an interagency process.

The House recedes with an amendment requiring the Governor of a State to designate a single State agency or entity to be responsible for the management of the statewide labor market information system and authorizing establishment of a process for the oversight of such a system.

386. Both the House bill and the Senate amendment require States to carry out specific duties in exchange for receipt of funds. To the extent that both bills include similar requirements, they differ in content.

The House recedes with an amendment describing the duties of the State agency designated to be responsible for labor market information.

386a. The Senate amendment, but not the House bill, provides for a rule of construction.

The House recedes.

387. Under the Senate amendment, but not the House bill, this section takes effect July 1, 1998. (See Note 456 for comparable House provision)

The House recedes.

UI Trust Fund

388. The Senate amendment, but not the House bill, makes amendments to the Unemployment Trust Fund to conform with the Workforce Development Act.

The Senate recedes.

Limited Federal Regulations

389. The House bill, but not the Senate amendment, restricts Department of Education and Department of Labor from issuing unnecessary regulations in regard to this Act.
The Senate recedes with conforming and technical changes.

National Programs

Education/Youth

390. The House bill authorizes $25 million or 20% of total funding for the youth development block grant funding -- whichever is less -- for Federal research, a national assessment of youth development programs and a national center(s) for research on youth development programs. The Senate amendment reserves 0.15% of the $5.884 billion authorization ($8,826,000) for a national center for research in education and workforce development, a national assessment of vocational education and the National Institute for Literacy.

The House and Senate recede.

391. The House bill, but not the Senate amendment, allows the Secretary to award discretionary grants for demonstration and model programs. Funds may also be used by the Department of Education for evaluation, capacity building and technical assistance.

The Senate recedes with an amendment requiring the Secretaries, as part of the interagency agreement, to develop a single plan for assessment and evaluation, research, demonstrations, dissemination of model programs, and technical assistance activities with regard to the services and activities carried out under this title. The amendment authorizes $15 million for assessment and evaluation of activities assisted under this title; $15 million for a national research center or centers; $30 million for demonstration programs, replication of model programs, dissemination of best practices information, and technical assistance for fiscal years 1998-2002.

The Managers intend that the Secretaries may use demonstration funds to allow national disability organizations to continue to carry out national employment, training and job placement activities for which they are uniquely qualified.

It is also the intent of the Managers that in awarding demonstration grants under this authority that the Secretaries
give strong consideration to projects that involve a partnership between a four year higher education institution, local public educational organizations, non-profit organizations and private sector business participants that provide program support, facilities, specific skills training, retraining, education, tutoring, counseling, employment preparation through distance learning in emerging and established professions to individuals who otherwise would not have access to such services, as exemplified by programs currently proposed by Pacific Union College and Napa Valley Community Resource Center in Angwin, California.

The Managers further intend for the Secretaries to use the resources made available under the "Demonstrations, Dissemination, and Technical Assistance" section to replicate models of demonstrated effectiveness, such as the Center for Employment and Training (CET) and the Youth Build Program, for the purpose of developing, improving, and identifying the most successful methods and techniques in providing the services and activities authorized under this Act.

392. The House bill, but not the Senate amendment, requires the Secretary of Education to establish a system to disseminate information received from research and development activities.

The House recedes.

393. The House bill requires Office of Educational Research and Improvement to conduct a biennial assessment. The Senate amendment requires the Secretary to conduct an assessment.

The House and Senate recede.

394. The Senate amendment, but not the House bill, creates a national advisory panel to advise the Secretary on the assessment. The advisory panel may submit an independent analysis to the appropriate congressional committees and the Federal Partnership.

The Senate recedes.

395. Both the House bill and the Senate amendment require the assessment to review certain activities.
395a. Both the House bill and the Senate amendment require a review of how funds received are being used by State and local areas to achieve the intended results of this Act; program improvement; the effect of performance measures, accountability and State and local assessments; and the success of students in meeting academic and occupational measures.

395b. Both the House bill and the Senate amendment have additional assessment requirements.

396. The Senate amendment, but not the House bill, requires the Secretary to consult with Congress on the design and implementation of the assessment. The Senate amendment further requires an interim report to Congress and prohibits review of the report outside the Department of Education prior to the transmittal to Congress.

397. The Senate amendment has an effective date of July 1, 1998. (See Note 456 for comparable House provision.)

398. Both the House bill and the Senate amendment allow institutions of higher education, public and private agencies or consortia of such agencies to compete for a national research center contract.

398a. The House bill allows the Secretary of Education to contract for a National center to conduct research. The Senate amendment allows the Secretary of Education and the Secretary of Labor, acting on the advice of the Federal Partnership, to award a contract for a national center.
398b. The House bill, but not the Senate amendment, requires that if such centers are established, the national center currently in operation shall continue under the terms of its contract.

   The House recedes.

399. Both the House bill and the Senate amendment require the center to carry out required activities.

   The House and Senate recede.

399a. Both the House bill and the Senate amendment require research and assistance in combining academic and vocational education, new models for remediation of academic skills, new linkages among education and job training, and new models for career guidance.

   The House and Senate recede.

399b. Both the House bill and the Senate amendment have additional required activities.

   The House and Senate recede.

400. Both the House bill and the Senate amendment require the center to help States and localities develop performance measures and indicators. The House bill further requires the center to provide technical assistance and outreach.

   The House and Senate recede.

401. Both the House bill and the Senate amendment require the center to maintain a clearinghouse to disseminate information to Federal, State and local entities.

   The House and Senate recede.

402. The Senate amendment allows the Federal Partnership to ask the center to study topics or conduct activities as they determine necessary. The House bill allows the Secretary of Education to request that the center conduct other activities.
The Senate recedes.

403. The Senate amendment, but not the House bill, requires the center to identify current research and technical assistance needs using a variety of sources including a panel of Federal, State and local practitioners.

The Senate recedes.

404. The House bill and the Senate amendment require the center to annually submit a report to the Secretaries of Education and Labor and to the House and Senate authorizing committees. The Senate amendment further requires the center to annually submit a report to the Federal Partnership.

The House and Senate recede.

405. The Senate amendment, but not the House bill, provides a 6 month transition period between the current grant award expiration and subsequent authorization.

The House recedes with an amendment striking "on the advice of the Federal Partnership".

406. Both the House bill and the Senate amendment use the definition of higher education which excludes proprietary schools. (See Note 36 for House definition of "eligible institution.")

The House recedes.

407. The Senate amendment, but not the House bill, makes conforming amendments to current law for the transition period.

The House recedes.

408. The Senate amendment has a July 1, 1998 effective date and includes a January 1, 1998 effective date for the transition period for the national center. (See Note 456 for comparable House provision.)

The House recedes.

*Employment and Training Activities*
409. The House bill reserves 15% of the adult employment and training grant authorization ($327 million) for national discretionary grants (including incentive grants, research, development, and workforce development loans). The Senate amendment reserves 5% of the $5.88 billion authorization ($294 million) for national discretionary grants, incentive grants and for the administration of this title.

The House recedes with an amendment reserving 10 percent of the block grant for national activities. After funds have been distributed for Native Americans, migrants, and the outlying areas programs, the remainder shall be reserved for national emergency grants and incentive grants.

410. Under the House bill, the Secretary of Labor is provided full discretion to award grants for major economic dislocations. Under the Senate amendment, the Secretary of Labor and the Secretary of Education must act jointly on the advice of the Federal Partnership for the award of such grant. The Senate amendment also includes a provision for an emergency determination.

The Senate recedes with an amendment authorizing the Secretary of Labor to award national emergency grants to provide employment and training assistance to workers affected by major economic dislocations such as plant closures, mass layoffs, or closures and realignment of military installations.

For the purposes of awarding a National Emergency Grant, it is the intent of the Managers that the Secretary of Labor should develop criteria to determine if an event constitutes a "major economic dislocation." In doing so, the Secretary should consider the number of workers affected in relation to the size and unique situation of the community affected, rather than by establishing any one threshold number. The Managers are deeply concerned that establishing an arbitrary threshold overlooks the varying impact of these kinds of events on communities of different sizes. For instance, a plant closing or other event affecting a small number of workers has a profoundly different impact on a large community as compared to a small community.

411. The House bill includes a number of entities as eligible to receive grants under this part. The Senate amendment includes a
State or local entity as eligible to receive grants under this part. (See Note 53 for Senate description of "local entity.")

The House recedes with an amendment defining "eligible entity" to mean a State, a unit of general local government, or a public or private local entity (including for-profit or non-profit).

412. Under the House bill, eligible entities must submit an application to the Secretary of Labor. Under the Senate amendment, such entities must submit an application to the Federal Partnership.

The Senate recedes.

413. Both the House bill and the Senate amendment provide that funds may be used for disaster relief employment assistance.

The Senate recedes with an amendment authorizing the Secretary of Labor to provide assistance to the Governor of any State within the boundaries of which is an area that has suffered an emergency or a major disaster.

414. The House bill, but not the Senate amendment, clarifies that funds may be expended through public and private agencies.

The Senate recedes.

415. Under the House bill, but not the Senate amendment, only individuals dislocated or laid off due to the disaster are eligible to be offered disaster employment.

The House recedes with an amendment requiring that funds be used exclusively to provide employment on projects assisting disaster areas.

416. The House bill, but not the Senate amendment, limits the length of time such individuals may be employed under this part to six months.

The House recedes.

417. The House bill, but not the Senate amendment provides for the Secretary of Labor to use a portion of its' discretionary
funding to carry out research, demonstrations, evaluations, national partnerships, capacity building and technical assistance.

The House recedes.

417a. Both the House bill and the Senate amendment provide for ongoing evaluations of employment-related activities, including the use of controlled experiments using groups chosen by random assignment. In the House bill, the Secretary of Labor performs the evaluations, and in the Senate amendment the States perform the evaluations. (See Note 163)

The House recedes.

417b. The House bill, but not the Senate amendment, also allows the Secretary of Labor to conduct evaluations of other Federal employment-related workforce programs to determine their effectiveness. (See Note 164)

The House recedes.

417c. The House bill requires the Secretary of Labor to provide capacity building and technical assistance. The Senate amendment requires the Secretary of Labor and the Secretary of Education, acting jointly, to provide technical assistance in appropriate cases. (See Note 354.)

The House recedes.

418. The House bill, but not the Senate amendment, allows the Secretary of Labor to use a portion of its discretionary funding to make grants to States to establish workforce skills and loan programs.

The House recedes.

Native American Programs

419. The House bill reserves 4% of the Adult Employment and Training Grant authorization or $85 million, whichever is less, for Native American programs. The Senate amendment reserves 1.25% of the $5.884 billion authorization ($73.5 million) for Native American programs.
The House recedes with an amendment reserving $90 million from the annual appropriation for Native American programs.

420. The Senate amendment, but not the House bill, allows the Secretaries to reserve a portion of at-risk youth funds to carry out programs for Native American at-risk youth.

The Senate recedes.

421. The Senate amendment, but not the House bill, contains purposes.

The House recedes.

422. The Senate amendment includes several definitions relating to Indian workforce activities. (For comparable definition of Native American in the House bill see Note 57)

The House recedes.

423. Both the House bill and the Senate amendment authorize similar entities for the receipt of funds. However, in the House bill, Indian controlled organizations serving "off-reservation" areas are eligible, in the Senate amendment, such entities serving "Indians" are eligible. Also, the House bill specifies the types of areas served by Alaska Native entities.

The House recedes with an amendment making technical changes.

424. The Senate amendment, but not the House bill, requires the Secretaries to distribute funds by formula.

The Senate recedes.

425. Both the House bill and the Senate amendment list authorized activities. However, the Senate amendment further specifies such activities.

The House recedes with an amendment requiring that activities carried out are consistent with this section and are necessary to meet the needs of Indians or Native Hawaiians preparing to enter, reenter, or retain unsubsidized employment.
The amendment requires that funds be used for workforce development activities and supplemental services and vocational education, adult education, and literacy services.

426. The Senate amendment, but not the House bill, continues eligibility for individuals previously eligible under the JTPA program for Native Americans.

The House recedes.

427. The House bill, but not the Senate amendment, allows for the Secretary of Labor to transfer authority to the Secretary of Education to carry out specific vocational education programs for Native Americans.

The Senate recedes with an amendment allowing the Secretaries to agree that the Secretary of Education may carry out any portion of assistance devoted to vocational education activities including assistance to entities not eligible for funding pursuant to the Tribally Controlled Community College Assistance Act.

The Managers have consolidated employment and training services, including vocational education services, into a Native American block grant. The Department of Labor as part of the interagency agreement is encouraged to transfer the portion of the funds covering vocational education services to the Department of Education in recognition of that Department's special expertise in this area.

In making grants for education services the Secretary, consistent with previous policy, shall give consideration to applications from Tribally Controlled Community Colleges. The Managers also recognize the important role of the two tribal postsecondary vocational education institutions -- United Tribes Technical College and Crownpoint Institute of Technology -- and expect the Secretary to continue support for these institutions from funds allocated under this section.

428. The Senate amendment, but not the House bill, requires eligible entities to submit a 3-year plan to the Federal Partnership.
The House recedes with an amendment striking "Federal Partnership" and inserting "Secretaries".

429. Both the House bill and the Senate amendment allow eligible entities to further consolidate funds under this Act in accordance with P.L. 102-477.

The Senate recedes.

430. The Senate amendment, but not the House bill, includes provisions regarding nonduplicative and nonexclusive services.

The House recedes.

431. The Senate amendment, but not the House bill, establishes an office within the Federal Partnership to administer this section.

The House recedes with an amendment requiring the Secretaries to designate a single organizational unit to administer Native American programs and to provide technical assistance.

432. Both the House bill and the Senate amendment require that regulations be developed in consultation with Tribal entities. Under the House bill, the Secretary of Labor is responsible for establishing regulations, whereas the Senate amendment specifies the Partnership, through the Native American office.

The Senate recedes with an amendment requiring the Secretaries to consult with the eligible entities in establishing regulations and performance standards for Native American programs.

433. The Senate amendment, but not the House bill, permits the Secretaries to act jointly in the distribution of at-risk youth funds, if any, for Native Americans.

The Senate recedes.

Migrant and Seasonal Farmworker Program

434. The House bill reserves 4% of the Adult Training and Employment authorization or $85 million, whichever is less, for
migrant and seasonal farmworkers. The Senate amendment reserves 1.25% of the $5.884 billion authorization ($73.5 million) for migrant and seasonal farmworkers.

The Senate recedes with an amendment reserving $70 million from the annual appropriation for migrant and seasonal farmworker programs.

The conference agreement includes the consolidation of current programs for migrant and seasonal farmworkers into a single program which is intended to serve as the main vehicle for Federal investments in migrant and seasonal farmworkers' training, placement, and related assistance. These investments assist farmworkers to secure stable, meaningful employment. These programs target services to one of the most hard-to-serve and at-risk populations in the United States.

The legislative language includes broad allowable services that may be provided under this section for migrant and seasonal farmworkers and their dependents, including single purpose grants for the provision of training and technical assistance for housing and related assistance.

434a. The House bill authorizes the Secretary of Labor to carry out this program. The Senate amendment authorizes the Secretaries, acting jointly on advice of the Federal Partnership, to carry out this program.

The House recedes with an amendment making technical changes.

435. The House bill allows the Secretary of Labor to determine eligible entities. The Senate amendment lists specific criteria for eligible entities.

The House recedes with an amendment requiring that eligible entities shall have an understanding of the problems of migrant and seasonal farmworkers, a familiarity with the area to be served, and can demonstrate a capacity to administer effectively a diversified program of workforce development activities for migrant and seasonal farmworkers.
436. The House bill lists specific allowable activities. The Senate amendment authorizes funds for "comprehensive workforce development activities and related services."

The Senate recedes with an amendment requiring that funds made available under this section shall be used to carry out comprehensive workforce development activities and related services for migrant and seasonal farmworkers and their dependents.

437. The House bill, but not the Senate amendment, require that regulations be developed in consultation with farmworker groups.

The Senate recedes with an amendment requiring the Secretaries to consult with seasonal and migrant farmworker groups and States in establishing regulations and performance standards for the migrant and seasonal farmworker program.

438. The Senate amendment, but not the House bill, requires eligible entities to submit a 3-year plan to the Federal Partnership.

The House recedes with an amendment requiring that eligible entities submit to the Secretaries a plan that describes a 3-year strategy for meeting the needs of migrant and seasonal farmworkers and their dependents.

439. The Senate amendment, but not the House bill, require that grants be distributed in consultation with Governors and local partnerships.

The House recedes with an amendment requiring that in making grants and entering into contracts under this section, the Secretaries shall consult with the Governors and with local workforce development boards.

Territories/Outlying Areas

440. The House bill provides funding for territories in each of the three grants. For the youth grant, funds are available to territories through the State allotment, with the definition of "State" including such territories. For the adult employment and training grant, up to one quarter of 1% of the authorized allotment available for States, ($4.6 million), is reserved for
territories. For the adult education and literacy grant, 
$100,000 is reserved for each of the territories. The Senate 
amendment authorizes .2% of the $5.884 billion authorization 
($11.76 million) for outlying areas.

The House recedes with an amendment reserving $14 million 
from the annual appropriation for the outlying areas.

441. The Senate amendment, but not the House bill, authorizes 
the Secretaries, acting jointly on the advice of the Federal 
Partnership, to award grants to outlying areas.

The House recedes with an amendment that allots funds to the 
outlying areas, reserves the funds allotted to the Republic of 
the Marshall Islands, the Federated States of Micronesia and 
Pala for a competitive grant award to all of the outlying areas 
based on recommendations by the Pacific Region Educational Lab to 
the Secretaries, and terminates the authority for the Republic of 
the Marshall Islands, the Federated States of Micronesia and 
Pala to receive funds under this title on September 30, 2001.

OTHER
No Tracking

442. The House bill, but not the Senate amendment, includes two 
provisions prohibiting the tracking of individuals, including 
youth, into a specific career or to require the attainment of a 
federally funded or endorsed skill certificate.

The Senate recedes with a clarifying amendment.

Transition

443. The House bill provides that the Secretary of Labor and the 
Secretary of Education will ensure an orderly transition from 
programs repealed or amended. The Senate amendment provides that 
States and local entities may seek waivers from the Secretaries 
under any of the programs repealed or amended during the 2 year 
transition period.

The House recedes with technical and conforming changes and 
increasing the time the Secretary has to approve or disapprove a 
waiver from 45 to 60 days.
444. The Senate amendment, but not the House bill, provides a flexibility demonstration program for six States (which meet specific eligibility requirements) to waive any statutory or regulatory requirement under any of the programs repealed or amended during the 2-year transition period.

The Senate recedes.

445. The Senate amendment, but not the House bill, requires each State to submit an interim State plan to the Federal Partnership by June 30, 1997. The Secretaries may approve the interim plan and authorize the full integration of program funds and activities as provided in the block grant in fiscal year 1997. If the Secretaries disapprove the interim plan, they must make recommendations and provide technical assistance to States for developing the State plan to be submitted for fiscal year 1998.

The House recedes with an amendment authorizing the Secretaries to provide technical assistance to States that request such assistance in preparing the State plan or in developing the State benchmarks.

446. The Senate amendment, but not the House bill, provides that States and local entities will not be required to submit applications or plans in fiscal years 1996 or 1997 in order to receive funding under any programs which will ultimately be repealed under the Act.

The House recedes with an amendment striking "1996 or".

447. The Senate amendment, but not the House bill, provides that the Federal Partnership will take over administration of the School-to-Work Opportunities Act on October 1, 1996.

The Senate recedes.

448. The Senate amendment, but not the House bill, extends the authorizations for the Carl D. Perkins Vocational and Applied Technology Act and the Adult Education Act through fiscal years 1998.

The House recedes with an amendment striking paragraphs (b)(2), (b)(3), and (b)(4).
Under the House bill, the Smith-Hughes Act is repealed on October 1, 1995. Under the Senate amendment, the following laws are repealed immediately upon enactment: (1) the State Legalization Impact Assistance Grant (SLIAG), (2) Title II of Public Law 95-250, (3) the Displaced Homemakers Self-Sufficiency Assistance Act, (4) the Appalachian Vocational and Other Education Facilities & Operations program, (5) the Job Training for the Homeless Demonstration Project, (6) Section 5322 of title 49, U.S.C., and (7) Subchapter I of chapter 421 of title 49, U.S.C.

The House recedes with an amendment striking the repeal of Section 5322 of title 49, United States Code and Subchapter I of chapter 421 of title 49, United States Code.

Under the House bill, the following laws are repealed on July 1, 1997: (1) the Carl D. Perkins Vocational and Applied Technology Education Act, (2) the School-to-Work Opportunities Act, (3) the Adult Education Act, (4) the Adult Education for the Homeless program, (5) the School Dropout Assistance Act, (6) the National Literacy Act (except section 101), (7) the Library Services and Construction Act, (8) the Technology for Education Act of 1994, and (9) the Job Training for the Homeless Demonstration Project.

Under the Senate amendment, the following laws are repealed on July 1, 1998: (1) the Carl D. Perkins Vocational and Applied Technology Education Act, (2) the School-to-Work Opportunities Act, (3) the Adult Education Act, (4) the Adult Education for the Homeless program, and (5) the Education for Homeless Children and Youth Education program.


Under the House bill, all of the Job Training Partnership Act, except for the Job Corps program and the veterans' employment programs, is repealed on July 1, 1997. Under the Senate amendment, all of the Job Training Partnership Act is repealed on July 1, 1998.
The House recedes with an amendment striking paragraph (c)(2).

450. Both the House bill and the Senate amendment make amendments to other laws to conform with the repeal of programs as described in Note 449.

Legislative counsel.

450a. Both the House bill and the Senate amendment make conforming amendments to other Federal laws which reference the Adult Education Act.

Legislative counsel.

450b. The Senate amendment, but not the House bill, makes conforming amendments to other Federal laws which reference the Carl D. Perkins Vocational and Applied Technology Education Act.

Legislative counsel.

450c. The Senate amendment, but not the House bill, makes conforming amendments to other Federal laws which reference the School-to-Work Opportunities Act of 1994.

Legislative counsel.

450d. The House bill includes conforming amendments to the Job Training Partnership Act to reflect the repeal of some parts of such Act. The Senate amendment, which repeals the entire Job Training Partnership Act, makes conforming amendments to other Federal laws which reference the Job Training Partnership Act.

Legislative counsel.

450e. The Senate amendment, but not the House bill, makes conforming amendments to other Federal laws which reference the Stewart B. McKinney Homeless Assistance Act.

Legislative counsel.

450f. The Senate amendment, but not the House bill, requires the Federal Partnership, after consultation with the appropriate
committees of Congress and the Director of the Office of Management and Budget, to submit to Congress legislation containing further technical and conforming amendments.

The Senate recedes.

450g. Under the House bill, the conforming amendments are effective on July 1, 1997. Under the Senate amendment, the conforming amendments for the programs repealed immediately are effective on the date of enactment, and for the programs repealed subsequently are effective on July 1, 1998.

The House recedes.

Higher Ed Repeals

451. The House bill, but not the Senate amendment, repeals the following programs:

(1) Articulation Agreements
(2) Access & Equity to Education for all Americans through Telecommunications
(3) Academic Libraries and Information Services
(4) National Early Intervention Scholarships
(5) Presidential Access Scholarships
(6) Model Program Community Partnership & Counseling Grants
(7) Early Awareness Information Program
(8) Technical Assistance for Teachers & Counselors
(9) Special Child Care Services for Disadvantaged College Students
(10) Loan Forgiveness for Teachers, Individuals Performing Community Service and Nurses
(11) Training in Financial Aid Services
(12) State Postsecondary Review Program
(13) State & Local Programs for Teacher Excellence
(14) National Teacher Academies
(15) Paul Douglas Teacher Scholarships
(16) Teacher Corps
(17) Class Size Demonstration Grant
(18) Middle School Teaching Demonstration Programs
(19) New Teaching Careers
(20) National Mini Corps Programs
(21) Demonstration Grants for Critical Language/Area Studies
(22) Development of Foreign Language & Culture Instructions Materials
(23) Small State Teaching Initiative
(24) Faculty Development Grants
(25) Early Childhood Staff Training & Professional Enhancement
(26) Intensive Summer Language Institutes
(27) Periodicals and Other Research Materials Published Outside the United States
(28) Improvement of Academic & Library Facilities
(29) Cooperative Education
(30) Grants to Institutions and Consortia to Encourage Women & Minority Participation in Graduate Education
(31) Harris Fellowships
(32) Javits Fellowships
(33) Faculty Development Fellowship Program
(34) Assistance for Training in the Legal Profession
(35) Law School Clinical Experience
(36) FIPSE - Special Projects in Areas of National Need
(37) Science & Engineering Access
(38) Women & Minorities Science & Engineering Outreach Demonstration Programs
(39) Eisenhower Leadership Program
(40) Community Service Programs

(1) National Academy of Science Study
(2) Native Hawaiian and Alaska Native Culture and Arts Development

(1) American Indian Postsecondary Economic Development Scholarship
(2) American Indian Teacher Training
(3) National Survey of Factors Associated with Participation
(4) Study of Environmental Hazards in Institutions of Higher Education
(5) National Job Bank for Teacher Recruitment
(6) National Clearinghouse for Postsecondary Education Materials
(7) School-Based Decisionmakers
(8) Grants for Sexual Offenses Education
(9) Olympic Scholarships
(10) Advanced Placement Fee Payment Program

The Senate recedes with an amendment striking the repeal of the National Early Intervention Scholarships program; the Javits Fellowship program; the Law School Clinical Experience program;
the FIPSE - Special Projects in Areas of National Need program; and the Community Service Programs.

452. The House bill, but not the Senate amendment, deletes all references to State postsecondary review entities.

The Senate recedes.

453. The House bill, but not the Senate amendment, amends the Higher Education Act to specify that, for purposes of eligibility under Section 481(b)(6) [the 85/15 Rule], a proprietary institution may use its independent auditor rather than a certified public accountant to review the school's financial data; may use generally accepted accounting practices to determine compliance; and may count revenues earned from providing training on a contractual basis to government, business, or industry as non-Federal revenue.

The House recedes.

454. The House bill, but not the Senate amendment, prohibits the Secretary from considering an institution's financial information for an institution's fiscal year which began on or before April 30, 1994. This date coincides with the day after which the Secretary's regulations implementing the 85/15 rule became final.

The Senate recedes.

455. The House bill, but not the Senate amendment, sets an effective date for these changes of July 1, 1994. This date coincides with the start of the 1994-1995 academic year.

The Senate recedes.

Effective Date

456. The House bill takes effect on July 1, 1997. The Senate amendment (including the workforce development grant and the at-risk youth grant) takes effect on July 1, 1998.

The House recedes with technical amendments.

Immigration and Nationality Act
457. The Senate amendment, but not the House bill, amends the Immigration and Nationality Act to prohibit funds authorized under that Act to be used for training activities for refugees.

The Senate recedes.

Rehabilitation Act

458. The House bill, but not the Senate amendment, provides that the Act retains current law and has no legal effect on the Rehabilitation Act of 1973.

The House recedes.

459. The Senate amendment, but not the House bill, explains that references in title II, subtitle A, of the Workforce Development Act of 1995, unless otherwise noted, are to the Rehabilitation Act of 1973.

The Senate recedes.

460. The Senate amendment, but not the House bill, amends section 2(a)(4) of the Rehabilitation Act by indicating that increased employment of individuals with disabilities can be achieved through implementation of a statewide workforce development system that provides meaningful and effective participation for such individuals in workforce development activities and through title I of the Rehabilitation Act. The Senate amendment also amends section 2(b)(1)(A) of the Rehabilitation Act by adding that empowering individuals with disabilities can occur through statewide workforce development systems that include comprehensive and coordinated programs of vocational rehabilitation.

The House recedes with an amendment striking "and (2) in subsection (b)(1)(A)" by inserting "statewide workforce development systems that include, as integral components," after "(A)", and inserting "(2) in subsection (b)(1)(A), by striking 'and coordinated' and inserting prior to the semicolon, 'that coordinate with statewide workforce development systems'.

461. The Senate amendment, but not the House bill, repeals section 6 of the Rehabilitation Act that allows consolidated
plans from State vocational rehabilitation agencies and State developmental disabilities councils.

The Senate recedes.

462. The Senate amendment, but not the House bill, amends section 7 of the Rehabilitation Act by conforming definitions with the Work Force Development Act.

The House recedes with conforming amendments.

463. The Senate amendment, but not the House bill, amends section 12(a)(1) of the Rehabilitation Act by giving the Commissioner of the Rehabilitation Services Administration the authority to provide consultative services and technical assistance to public and nonprofit private agencies to achieve the meaningful participation of individuals with disabilities in the statewide workforce development system.

The House recedes with conforming amendments.

464. The Senate amendment, but not the House bill, amends section 13 of the Rehabilitation Act by conforming data collection with the Workforce Development Act of 1995.

The House recedes with conforming amendments.

465. The Senate amendment, but not the House bill, amends section 14(a) of the Rehabilitation Act by conforming evaluation requirements with the Workforce Development Act of 1995. The Senate amendment also states that the Secretary may modify or supplement such benchmarks, under certain conditions, to address unique conditions associated with reporting on individuals with disabilities.

The House recedes with conforming amendments.

466. The Senate amendment, but not the House bill, amends section 100(a)(1)(F) of the Rehabilitation Act by adding to the finding the term "workforce development activities".

The House recedes.
467. The Senate amendment, but not the House bill, adds a new (G) to section 100(a)(1) of the Rehabilitation Act, a finding which states that linkages between vocational rehabilitation program and other components of the workforce development system are critical to the effective and meaningful participation of individuals with disabilities in workforce development activities.

The House recedes with conforming amendments.

468. The Senate amendment, but not the House bill, amends section 100(a)(2) of the Rehabilitation Act, which expresses the purpose of title I, adding specifications that a program of vocational rehabilitation is an integral component of a statewide workforce development system.

The House recedes with an amendment striking "an integral component of" and inserting "coordinated with the" and conforming amendments.

469. The Senate amendment, but not the House bill, amends section 101(a) of the Rehabilitation Act, conforming the schedule for submitting the State plan under title I of the Rehabilitation Act to coincide with the schedule for submission of the workforce plan, and requires that the State plan required under title I of the Rehabilitation Act be submitted to any State workforce development board for review and comment, and submission of such comments to the appropriate designated State unit which administers the vocational rehabilitation program.

The House recedes with an amendment striking paragraph "(3)" and inserting "(3) by striking paragraphs (10)(A), (15)A-B), (27), (28) and (30)"; striking paragraphs "(6)" and "(7)"; and conforming amendments.

470. The Senate amendment, but not the House bill, adds a new paragraph (3) with regard to improving and expanding vocational rehabilitation services for individuals with disabilities.

The Senate recedes.

471. The Senate amendment, but not the House bill, adds in paragraph (6) (so redesignated), that the State plan shall
include the results of a comprehensive, statewide needs assessment.

The House recedes with an amendment to section 101(a)(9) to include, in the assessment, the utilization of community rehabilitation programs funded under the Javits-Wagner-O’Day Act and State use contracting programs and clarifying that training may be provided to counselors and other personnel.

472. The Senate amendment, but not the House bill, amends subparagraph (A) of paragraph (8) as redesignated, by consolidating provisions pertaining to personnel development.

The House recedes.

473. The Senate amendment, but not the House bill, deletes in section 101(a) of the Rehabilitation Act, in paragraph (9) as redesignated, reference to individuals at extreme medical risk.

The Senate recedes.

474. The Senate amendment, but not the House bill, makes technical changes to section 101(a) of the Rehabilitation Act, in paragraph (10) as redesignated, substituting the term "individualized employment plan" for the term "individualized written rehabilitation program."

The House recedes with conforming amendments.

475. The Senate amendment, but not the House bill, amends paragraph (11) as redesignated, allowing for entering into cooperative agreements with entities that are and are not part of the workforce development system.

The House recedes with conforming amendments.

476. The Senate amendment, but not the House bill, adds in paragraph (14) as redesignated, the requirement for timely notice of public hearings, collecting comments, and disseminating information about how comments affect the delivery of services.

The Senate recedes.
477. The Senate amendment, but not the House bill, amends paragraph (16) as redesignated, establishing the obligation to make referrals within the workforce development system.

The House recedes.

478. The Senate amendment, but not the House bill, amends paragraph (17) as redesignated, by transferring the current law provisions of Sec.101(a)(30) of the Rehabilitation Act which describes how the needs of individuals who are not in special education can access and receive vocational rehabilitation services.

The House recedes.

479. The Senate amendment, but not the House bill, amends section 102 of the Rehabilitation Act by substituting the term "individualized employment plan" for the term "individualized written rehabilitation program," wherever it appears.

The House recedes.

480. The Senate amendment, but not the House bill, amends section 103 of the Rehabilitation Act by removing the authority to use title I funds of the Rehabilitation Act for surgery or construction.

The Senate recedes.

481. The Senate amendment, but not the House bill, amends section 105 of the Rehabilitation Act by encouraging links between members of the Council and any boards established under the Workforce Development Act of 1995.

The House recedes with conforming amendments.

482. The Senate amendment, but not the House bill, amends section 106(a)(1) of the Rehabilitation Act to require that standards and indicators, to the maximum extent appropriate, will be consistent with benchmarks established under the Workforce Development Act of 1995. The Senate amendment also provides that the Secretary may modify or supplement such benchmarks, under certain conditions, to address unique conditions associated with reporting on individuals with disabilities.
The House recedes with an amendment that specifies the application of this requirement to future standards and indicators under the authority of the Commissioner of the Rehabilitation Services Administration to modify or supplement such benchmarks.

483. The Senate amendment, but not the House bill, amends Title I by repealing part C, Innovation and Expansion Grants, and redesignating parts D, American Indian Vocational Rehabilitation Services, and E, Vocational Rehabilitation Services Client Information, as parts C and D.

The Senate recedes.

484. The Senate amendment, but not the House bill, makes conforming amendments to the Rehabilitation Act of 1973.

The Senate recedes.

485. The Senate amendment, but not the House bill, provides that amendments to the Rehabilitation Act take effect upon enactment, except that statewide system requirements, specifically provisions that relate to State benchmarks or other components of a statewide system, shall take effect in a State that submits and obtains approval of an interim plan under section 173 for program year 1997 on July 1, 1997; and in any other State, on July 1, 1998.

The House recedes with an amendment to conform the dates with the rest of the Act.

Higher Education Privatization

486. The House bill, but not the Senate amendment, requires Sallie Mae's current Board of Directors to develop a reorganization plan for the restructuring of the Association's ownership. Current shares in Sallie Mae would be converted into shares in a newly formed Holding Company chartered in a State or the District of Columbia.

The Senate recedes with an amendment providing that the Student Loan Marketing Association (SLMA) shall either vote to reorganize as a private company or shall be dissolved. In either
instance, SLMA as a government sponsored enterprise with implicit Federal financial backing, shall cease to exist. The amendment specifies that within 18 months of the date of enactment, SLMA's board of directors shall develop a plan for reorganization and present such plan to its shareholders for approval. In the event that the shareholders agree to the plan, a newly formed corporation shall coexist with the current GSE until 2008. This lengthy transition is necessary for budget purposes, during which time only the GSE may engage in Federal student loan activity authorized under the Higher Education Act of 1965. In the event that the shareholders do not agree to reorganize, SLMA shall submit to the Secretary of Treasury a plan outlining how it will cease all business activities by the year 2013.

487. The House bill, but not the Senate amendment, requires that the reorganization plan be approved by the holder's of a majority of Sallie Mae's outstanding stock. As defined, the "reorganization effective date" means the date determined by the Association Board of Directors pending stockholder approval, but no later than 18 months after the enactment of this section.

The House recedes.

488. The House bill, but not the Senate amendment, clarifies that, except as specifically modified by the provisions of section 440, the provisions of section 439 of the Higher Education Act continue to apply in full force and effect to the Association during its wind-down period following the reorganization of its ownership. The Holding Company and its other subsidiaries shall not be entitled or subject to any of the rights, privileges, obligations or limitations applicable to the Association under section 439, except as specifically provided in section 440. This section clarifies that the Holding Company and its non-GSE subsidiaries shall not purchase federally-insured student loans until the Association ceases to purchase such loans, except for the Association's purchase of such loans as a lender-of-last-resort or under agreement with the Secretary of Education pursuant to section 440(c)(6).

The House recedes.

489. The House bill, but not the Senate amendment, specifies that, as soon as practicable after the reorganization, the Association would be required to use its best efforts to transfer
to the Holding Company or its non-GSE subsidiaries all real and personal property, including intangibles held by the Association, except for property defined as "remaining property." Remaining property would include the financial, program-related assets and obligations of the Association, such as debt obligations, student loans, portfolio investments, letters of credit, outstanding swap agreements and forward purchase commitments. Such property could be transferred out of the GSE subsequently, so long as the GSE continued to maintain adequate capital to meet the requirements of section 439(r), as amended.

The House recedes.

490. The House bill, but not the Senate amendment, specifies that at the time of the reorganization, the employees of the Association will become employees of the Holding Company or the other subsidiaries. This provision requires the Holding Company and the subsidiaries to provide management and operational support for the Association during the wind-down as requested by the Association. The Association is also specifically empowered to obtain management and operational support from persons other than the Holding Company and the subsidiaries.

The House recedes.

491. The House bill, but not the Senate amendment, clarifies that the Association may pay dividends in the form of cash or noncash distributions to the Holding Company, just as it may pay dividends to shareholders under current law. The payment of dividends would continue to be subject to the requirements of section 439(r).

The House recedes.

492. The House bill, but not the Senate amendment, provides that for purposes of calculating compliance with the Association's capital requirements, any distribution of noncash assets by the Association to the Holding Company is to be valued at net book value as of the date the distribution was approved by the Association's Board of Directors.

The House recedes.
493. The House bill, but not the Senate amendment, limits the Association's ability to engage in new business activities or acquire new assets following the reorganization. Activities may be undertaken in connection with student loan purchases through September 30, 2005; in connection with contractual commitments for future warehousing advances, where such commitments are outstanding as of the date of the reorganization; or pursuant to a letter of credit or standby bond purchase agreement that is outstanding as of such date. Activities may also be undertaken in connection with the GSE's role as lender of last resort pursuant to section 439. Finally, activities may be undertaken pursuant to agreements entered into with the Secretary of Education if the Secretary requests the Association to continue or resume its secondary market purchase program. The Secretary may make such a request only after determining that there is inadequate liquidity for loans made under Part B of Title IV of the Higher Education Act. Any such agreement shall cover a period of 12 months, but may be renewed if the Secretary determines that liquidity remains inadequate. The provision provides that the offset fee provided under section 439(h)(7) shall not apply to loans acquired pursuant to any such agreement.

The House recedes.

494. The House bill, but not the Senate amendment, prohibits the Association from issuing new debt obligations that mature later than September 30, 2009, except in connection with fulfilling the Association's lender of last resort role or with purchasing loans under an agreement with the Secretary of Education described in the previous paragraph.

The House recedes.

495. The House bill, but not the Senate amendment, establishes new requirements to the safety and soundness requirements currently applicable to the Association under the Higher Education Act. The GSE is required to obtain such information and keep such records as the Secretary of the Treasury may prescribe concerning any material financial risk to the Association which could reasonably result from the activities of the Holding Company or its non-GSE subsidiaries. The GSE must also keep records relating to the policies, procedures and systems used by the GSE to monitor and control such risk. The
summary reports may be required by the Secretary of the Treasury, but no more frequently than quarterly.

The House recedes.

496. The House bill, but not the Senate amendment, imposes requirements to ensure that a substantial degree of separation is maintained between the Association and its affiliates, including (i) the assets of the Association shall be maintained separately from those of the Holding Company and its other subsidiaries and may be used only in connection with the Association's purposes and obligations; (ii) the Association's books and records shall clearly reflect the assets and liabilities of the Association, separate from the assets and liabilities of the Holding Company and its other subsidiaries; (iii) the Association's corporate office shall be physically separate from all offices of the Holding Company and its other subsidiaries; (iv) no director of the Association who is appointed by the President may serve as a director of the Holding Company; (v) at least one of the Association's officers shall be an officer solely of the Association; (vi) transactions between the Association and the Holding Company and its subsidiaries shall be on terms no less favorable than the Association would receive from a third party; (vii) the Association shall not extend credit to the Holding Company or its subsidiaries or guarantee or provide credit enhancement for any debt of the Holding Company or the subsidiaries; (viii) any amounts collected on behalf of the Association by the Holding Company or its other subsidiaries with respect to the assets of the Association are required to be immediately deposited to an account controlled solely by the Association. No restrictions shall apply to directors of the Association not appointed by the President.

The House recedes.

497. The House bill, but not the Senate amendment, provides that under no circumstances shall the assets of the Association be available to pay claims or debts incurred by the Holding Company. The above requirement shall not limit the right of the Association to pay dividends that are otherwise permissible and shall not limit any liability of the Holding Company that is explicitly provided for in Part B.

The House recedes.
498. The House bill, but not the Senate amendment, limits the Holding Company's activities to the ownership of the Association and its other subsidiaries during the wind-down period, and all business activities shall be conducted at the subsidiary level.

The House recedes.

499. The House bill, but not the Senate amendment, gives the Holding Company, as sole shareholder of Sallie Mae, the authority to choose the shareholder-elected members of the Association's Board of Directors. The directors will not be required to meet current eligibility standards.

The House recedes.

500. The House bill, but not the Senate amendment, requires the Holding Company to issue to the Secretary of the Treasury 200,000 stock warrants, each warrant entitling the holder to purchase a share of stock of the Holding Company at any time on or before September 30, 2009.

The House recedes.

501. The House bill, but not the Senate amendment, provides that after the reorganization, the Holding Company shall not sell, pledge, or otherwise transfer any outstanding shares of the Association, or cause the Association to liquidate or file bankruptcy, without the approval of the Secretary of the Treasury and the Secretary of Education.

The House recedes.

502. The House bill, but not the Senate amendment, limits the period for winding down the GSE activities of the Association to September 30, 2009. The Association may determine to cease its activities and dissolve prior to September 30, 2009, unless the Secretary of Education determines that the Association continues to be needed as a lender of last resort or continues to be needed to purchase loans in furtherance of an agreement under section 440(a)(6).

The House recedes.
503. The House bill, but not the Senate amendment, requires at the end of the period all of the Association's outstanding debt obligations to be transferred to a trust that will satisfy all payment obligations on the remaining debt issues which will retain the attributes accorded them by the Association's statutory charter. The Association must deposit certain qualifying assets into the trust. The assets are to be transferred irrevocably, solely for the benefit of the holders of the Association's debt obligations, and in such amount as is determined by the Secretary of the Treasury to be sufficient to pay the principal and interest on the outstanding debt obligations according to their terms. To the extent that the Association cannot provide qualifying assets in the amount required, the Holding Company shall be required to transfer such assets in an amount necessary to prevent any deficiency.

The House recedes.

504. The House bill, but not the Senate amendment, requires the trust to transfer any remaining assets to either the Holding Company or its subsidiaries as directed by the Holding Company.

The House recedes.

505. The House bill, but not the Senate amendment, requires that after funding the trust and prior to dissolution, the Association must take whatever actions are necessary to discharge all other obligations of the Association, including the repurchase or redemption of the Association's preferred stock. Any such obligations that cannot be fully satisfied shall become liabilities of the Holding Company as of the date of dissolution.

The House recedes.

506. The House bill, but not the Senate amendment, requires that to the extent that any assets remain in the Association following the foregoing procedures, such assets shall be transferred to the Holding Company.

The House recedes.

507. The House bill, but not the Senate amendment, specifies that the number and composition of the Board of Directors of the Holding Company shall be as set forth in the Holding Company's
charter or bylaws and as permissible under the laws of the jurisdiction of its incorporation.

The House recedes.

508. The House bill, but not the Senate amendment, specifically prohibits the use of the name "Student Loan Marketing Association" and allows the use of "Sallie Mae" to the extent permitted by the applicable State or DC law.

The House recedes.

509. The House bill, but not the Senate amendment, specifically permits the Association to assign to the Holding Company or any of its other subsidiaries the name "Sallie Mae," to be used as a trademark or service mark. The bill includes a fee of $5 million in 1996 for the right to assign the name.

The House recedes.

510. The House bill, but not the Senate amendment, requires certain disclosures to be made during the period commencing after the reorganization and ending three years after the dissolution of the Association.

The House recedes.

511. The House bill, but not the Senate amendment, makes clear that, except as explicitly provided, the section is not intended to limit the authority of the Association to act as a federally chartered GSE or the authority of the Holding Company to take any actions that are lawful for a State-chartered corporation.

The House recedes.

512. The House bill, but not the Senate amendment, grants authority to the Attorney General, upon request of the Secretary of Education or the Secretary of the Treasury, to enforce the provisions of new Section 440, by action brought in the United States District Court for the District of Columbia.

The House recedes.
513. The House bill, but not the Senate amendment, sets a deadline of 18 months after the effective date of the section for the occurrence of the reorganization pursuant to which Sallie Mae's outstanding common stock will be converted to common stock of the Holding Company. If the reorganization has not taken place by 18 months after the effective date of section 440, this subsection provides that the section shall be of no further force and effect.

The House recedes.

514. The House bill, but not the Senate amendment, sets forth the defined terms used throughout section 440.

The House recedes.

515. The House bill, but not the Senate amendment, sets forth technical amendments to the Higher Education Act.

The House recedes.

516. The House bill, but not the Senate amendment, permits the Holding Company and any of its subsidiaries to be eligible lenders under the Higher Education Act for secondary market purposes.

The House recedes.

517. The House bill, but not the Senate amendment, supplements existing safety and soundness requirements applicable to the Association by amending Section 439(r) of the Higher Education Act to authorize the Attorney General, upon request of the Secretary of Education or the Secretary of the Treasury to enforce such requirements in an action before the United States District Court for the District of Columbia.

The House recedes.

518. The House bill, but not the Senate amendment, amends the safety and soundness requirements set forth in Section 439(r). The subsection supplements the reports provided by the Association in support of its safety and soundness requirements by requiring the Association to provide to the Secretary of the Treasury, within 45 days of the end of each calendar quarter,
financial statements and quarterly reports setting forth the calculation of the Association's capital ratio. The subsection also amends the safety and soundness provisions relating to the Association's capital ratio by providing new capital requirements applicable to the Association after January 1, 2000, if the Association's shareholders have approved the reorganization. At such time, the Association will be required to maintain a capital ratio of 2.25 percent for any quarter. If the Association fails to maintain such ratio, the Secretary of the Treasury may take certain specified actions to limit increases in the Association's liabilities, restrict growth in the Association's assets (other than student loan purchases and warehousing advances), restrict capital distributions by the Association, require that the Association issue new capital sufficient to restore the capital ratio to the required 2.25 percent, and limit certain increases in the executive compensation paid by the Association. However, if the Association's capital ratio for any quarter falls below 2.25 percent, but is equal to or in excess of 2 percent, the Secretary must defer taking such actions until the next quarter and then may proceed with such actions only if the capital ratio remains below 2.25 percent. Further, the Association is deemed to be in compliance with its capital ratio requirements if it is rated by two nationally recognized statistical rating organizations, without regard to its status as a federally chartered corporation, in one of the two highest full rating categories.

The House recedes.

519. The House bill, but not the Senate amendment, provides that upon the dissolution of the Association and the creation of the trust pursuant to new section 440(d), both the Association's Federal charter and section 439, shall be repealed.

The House recedes.

520. The House bill, but not the Senate amendment, privatizes the College Construction Loan Insurance Association ("Connie Lee", or "the Corporation").

The Senate recedes with an amendment repealing the authorizing legislation which created Connie Lee. The Secretary of the Treasury is required to sell the Connie Lee stock owned by the Secretary of Education within 6 months of the date of
enactment of this legislation ensuring the total privatization of Connie Lee. Connie Lee will no longer have a Federal charter or any ties to the Federal Government.

521. The House bill, but not the Senate amendment, repeals Federal restrictions on Connie Lee's activities.

The House recedes.

522. The House bill, but not the Senate amendment, restricts stock ownership in the Corporation for government agencies, government corporations, and government sponsored enterprises, including Sallie Mae. Specifically, Sallie Mae may continue to own stock held as of the day of enactment, but may not acquire new stock in the Corporation until such time as Sallie Mae is privatized.

The House recedes.

523. The House bill, but not the Senate amendment, prohibits Sallie Mae from controlling the operations of the Corporation, but allows it to retain its current representation on the board of the Corporation. The House bill further prevents Sallie Mae from providing financial support or guarantees to the Corporation.

The House recedes.

524. The House bill, but not the Senate amendment, requires that, for a five year period following enactment, the Corporation shall disclose that it is not a government sponsored corporation or instrumentality.

The House recedes.

525. The House bill, but not the Senate amendment, prohibits the Corporation from using the name College Construction Loan Insurance Association.

The House recedes.

526. The House bill, but not the Senate amendment, requires certain amendments to the Corporation's Articles of Incorporation.
The House recedes.

527. The House bill, but not the Senate amendment, places certain reporting requirements on the Corporation for a period of two years.

The House recedes.

528. The House bill, but not the Senate amendment, requires the Secretary of the Treasury to sell the federally held stock in the Corporation within six months of the date of enactment.

The House recedes.

529. The House bill, but not the Senate amendment, requires that, in the event that the Secretary of the Treasury cannot sell the federally held stock to another entity, the Corporation must repurchase the stock at a price not to exceed the value estimated by the Congressional Budget Office.

The House recedes.

Museums and Library Services

530. The House bill consolidates the Federal library programs under the Library Services and Construction Act, the Elementary and Secondary Education Act, and Title II of the Higher Education Act into one Federal libraries program focused on helping libraries acquire and use new technologies and forging electronic ties among libraries and between libraries and one-stop career centers.

The Senate amendment creates a new Institute of Museums and Library Services, and consolidates into it the functions of the Institute of Museum Services (IMS), along with Federal library programs under the Library Services and Construction Act and Title II of the Higher Education Act. Focuses of the Senate amendment include technology, life-long learning, and information access for those needing special services.

Legislative counsel.

The House and Senate recede with an amendment authorizing $150 million for fiscal year 1997 and such sums for fiscal year 1998 through fiscal year 2002. The amendment provides for forward funding and an additional authorization of appropriations to effect a timely transition to the new authorization. Additional amounts as may be necessary are authorized to be appropriated for the fiscal year prior to the first year in which appropriations are made under the forward funding procedure.

531a. The Senate amendment authorizes $75 million for Fiscal Year 1996 and such sums as necessary for fiscal years 1997-2000 for library technology programs.

The Senate recedes.

531b. The Senate amendment, but not the House bill, authorizes $75 million for Fiscal Year 1996 and such sums as necessary for fiscal years 1997-2000 to provide library services to special populations.

The Senate recedes.

531bb. The Senate amendment, but not the House bill, allows for the transfer of funds between the Secretary of Education and the Director of Museum Services.

The House recedes.

531c. The Senate amendment, but not the House bill, provides that no less than 5% nor more than 7% of library funds be used for joint projects with museums.

The Senate recedes.

531d. The Senate amendment, but not the House bill, allows not more than 10% of funds appropriated for library services under this Act to be spent for Federal administration.
The House recedes with an amendment limiting administrative funds to 3 percent.

531e. The Senate amendment, but not the House bill, authorizes $28,700,000 for FY1996, and such sums as necessary for Fiscal Years 1997-2000 for museum services under this Act.

The House recedes with an amendment authorizing $28,700,000 for fiscal year 1997, and such sums as may be necessary for fiscal year 1998 through fiscal year 2002.

531f. The Senate amendment, but not the House bill, allows not more than 10% of funds appropriated for museum services to be used for administrative expenses.

The House recedes.

531g. The Senate amendment, but not the House bill, provides that not less than 5% nor more than 7% of appropriated museum funding be used for joint projects with libraries.

The Senate recedes.

531h. The Senate amendment, but not the House bill, mandates that funds made available for museum services under this Act shall remain available until expended.

The House recedes.

531i. The Senate amendment, but not the House bill, authorizes such sums as necessary for the Arts and Artifacts Indemnity Act.

The Senate recedes.

532. The Senate amendment, but not the House bill, amends the Museum Services Act.

The House recedes.

533. The Senate amendment, but not the House bill, includes certain definitions.

The House recedes.
534. The Senate amendment, but not the House bill, establishes an Institute of Museum and Library Services.

The House recedes.

535. The Senate amendment, but not the House bill, provides for the appointment of a Director of the Institute of Museum and Library Services by the President with the advice and consent of the Senate. The Senate amendment further provides that the Director will serve for a term of 4 years, and that the appointment will alternate between individuals with expertise in library and museum services.

The House recedes.

536. The Senate amendment, but not the House bill, provides for the appointment by the Director of Deputy Directors for the offices of Library Services and Museum Services.

The House recedes with an amendment striking paragraph (b).

537. The Senate amendment, but not the House bill, provides for the staffing of the Institute by the Director.

The House recedes.

538. The Senate amendment, but not the House bill, provides the Director with the authority to accept or solicit gifts and bequests on behalf of the Institute.

The House recedes.

539. The Senate amendment, but not the House bill, sets forth purposes for funding of museum services under this subtitle.

The House recedes.

540. The Senate amendment, but not the House bill, sets forth definitions for this subtitle.

The House recedes with an amendment providing a definition of "State" for this subtitle to mean, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Northern Mariana
Islands, the Virgin Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

541. The Senate amendment, but not the House bill, empowers the Director of the Institute to award grants for Museum improvements, and outlines purposes for which the grants may be used.

The House recedes with an amendment adding model programs demonstrating cooperative efforts between libraries and museums to the list of museum services activities.

541a. The Senate amendment, but not the House bill, allows the Director to enter into contract or cooperative agreements for the improvement of museums.

The House recedes.

541b. The Senate amendment, but not the House bill, limits the Federal share of activities funded under this section.

The House recedes.

541c. The Senate amendment, but not the House bill, requires the Director to develop procedures for reviewing assistance made under this Section.

The House recedes.

542. The Senate amendment, but not the House bill, provides for an assessment of collaborative efforts that museums can engage in to serve the public more effectively, applicable only in years when appropriations for museum services exceed $28.7 million.

The Senate recedes.

543. The Senate amendment, but not the House bill, allows the Director to annually award a national award for museum services to outstanding museums for significant contributions in service to the community.

The House recedes.
544. The Senate amendment, but not the House bill, establishes a National Museum Services Board appointed by the President with advice and consent of the Senate.

The House recedes.

544a. The Senate amendment, but not the House bill, sets forth qualifications for appointment to the Board.

The House recedes.

544b. The Senate amendment, but not the House bill, provides for 5 year staggered terms for members of the board.

The House recedes.

544c. The Senate amendment, but not the House bill, sets forth the powers and duties of the board. The Senate amendment further outlines the structure and general operating rules of the Board.

The House recedes.

545. The Senate amendment, but not the House bill, amends the National Commission on Libraries and Information Science Act to provide the commission with the responsibility of advising the Director of the Institute of Museum and Library Services on matters relating to library services. The Senate amendment further outlines procedures for advising the Director and modifies membership procedures and membership criteria for the commission.

The House recedes.

546. The Senate amendment, but not the House bill, provides for the orderly transition of functions from the Institute of Museum Services (IMS) to the Institute of Museum and Library Services.

The House recedes with an amendment transferring all functions formerly exercised by the Director of Library Programs in the Department of Education's Office of Education Research and Improvements to the Institute.

547. The Senate amendment, but not the House bill, provides an authorization for the Arts and Artifacts Indemnity Act.
The Senate recedes.

547a. The Senate amendment, but not the House bill, transfers authority for indemnity agreements to the Director of the IMLS from the Federal Council on the Arts and the Humanities.

The Senate recedes.

547b. The Senate amendment, but not the House bill, retains the definition of eligible items from current law.

The Senate recedes.

547c. The Senate amendment, but not the House bill, expands coverage under the Act to domestic exhibits on display within the U.S.

The Senate recedes.

547d. The Senate amendment, but not the House bill, retains the applications procedure from current law.

The Senate recedes.

547e. The Senate amendment, but not the House bill, retains the terms under which indemnity agreements are made from current law.

The Senate recedes.

547f. The Senate amendment, but not the House bill, makes conforming amendments to current law with respect to the authority of the Director to issue regulations and certify claims.

The Senate recedes.

547g. The Senate amendment, but not the House bill, retains reporting requirements from current law.

The Senate recedes.

548. The Senate amendment, but not the House bill, provides for a short title.
The House recedes.

549. Both the House bill and the Senate amendment provide for purposes.

The House and Senate recede with an amendment stating the purpose of this subtitle.

549a. The purposes of the House bill are limited to the consolidation of library programs, providing access through new technology and providing electronic linkages among libraries and between libraries and integrated career center systems. The House bill contains no recognition of need.

The House recedes.

549b. The purposes of the Senate amendment include an emphasis on life-long access to learning and library information resources as well as preparing libraries for service in the 21st Century in the areas of access to electronic networks, workforce and economic development, and adequate provision of resources and services to special populations.

The Senate recedes.

550. Both the House bill and the Senate amendment provide definitions relative to library services. However, definitions in the House bill are in title I of the House bill.

The House recedes.

550a. The Senate amendment includes definitions of "library consortia," "library entity," and "public library." The House bill includes a definition of "library" in the general definitions section. (See Note 50.)

The House and Senate recede with an amendment retaining the definitions of "library consortia" and "State"; striking the definition of "library entity" and "State advisory council," and modifying the definition of "library".

550b. Both the House bill and the Senate amendment include a definition of "State library administrative agency. The Senate
amendment also includes a definition of "State Plan". (See Note 80.)

The Senate recedes on the definition of "STATE LIBRARY ADMINISTRATIVE AGENCY" and the House recedes on the definition of "STATE PLAN".

551. The Senate amendment, but not the House bill, reserves 11/2% of funds appropriated for serving Indian Tribes. In the House bill, Indian Tribes may use funds allotted under section 325 for library services.

The House recedes.

551a. The Senate amendment, but not the House bill, reserves 8% of allotted funds for a national leadership program in library services.

The House recedes with an amendment reserving 4 percent of allotted funds for "National Leadership Grants", and specifying that if these funds have not been obligated by the end of the fiscal year in which they are reserved, that they shall be re obligated in the next fiscal year to the States as part of the States' formula grant. The House amendment further stipulates that States may carryover unobligated funds for use in the next fiscal year.

552. Both the House bill and the Senate amendment provide for minimum State allotments. However, the House bill does not provide funding for the Freely Associated States.

The House recedes with an amendment providing that funds allotted to the "Freely Associated States" be reserved for competitive grants to all outlying areas based on the recommendations by the Pacific Region Educational Lab to the Director, limits the Pacific Regional Education Laboratory to using no more than 5 percent of these funds for administrative purposes, and specifies that eligibility for assistance under this Act for the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau shall terminate as of September, 30, 2001.

552aa. The House bill and the Senate amendment both provide allotments.
The House recedes with an amendment authorizing the State minimum allotment at $340,000.

552a. Both the House bill and the Senate amendment provide for the ratable reduction of funds should appropriations be insufficient.

Legislative counsel.

552b. Both the House bill and the Senate amendment allot remaining funds based on State populations.

Legislative counsel.

553. The House bill, but not the Senate amendment, requires the Secretary to make grants to States that will meet minimum requirements such as submitting an approved application, providing 100% of the amount of the grant to the State library administrative agency, and requiring that agency to use the allocated funds to carry out activities described in the application. The House bill further provides that such grant will be the lesser of the sum of the initial allotment and the additional allotment or 75% of the total cost of the activities described in the application.

The House recedes.

554. Both the House bill and the Senate amendment limit administrative funding at the State level. The Senate amendment limits this amount to not more than 5%. The House bill limits State administrative funding to 3% elsewhere in this Subtitle.

The Senate recedes with an amendment allowing States to use no more than 4 percent of funds allotted for administrative purposes.

555. The Senate amendment establishes the Federal share for programs under this subtitle and sets forth maintenance of effort provisions. The House bill establishes the Federal share for programs under this subtitle, but does not require maintenance of effort.

The House recedes.
555a. The Senate amendment sets the Federal share for State projects at 50% with higher Federal shares for the Trust Territories, and defines non-Federal share. The House bill sets the Federal share for State projects at 75%, and makes no distinction for the Trust Territories.

The House recedes with an amendment setting the Federal share for the States and Trust Territories at 66 percent.

555b. The Senate amendment, but not the House bill, reduces a State's allocation if the State fails to maintain its funding level for library services. The reduction in Federal allocation is in proportion to the reduction in State effort.

The House recedes with an amendment clarifying that States may reduce their maintenance-of-effort in proportion to any Federal reduction without being penalized.

555c. The Senate amendment, but not the House bill, provides a waiver for reductions in a State's allocation under this subsection if the reduction in State efforts is due to certain uncontrollable circumstances.

The House recedes.

556. The House bill requires that each State seeking a grant under this subtitle submit an annual application establishing goals and priorities consistent with the purposes of this subtitle describing activities and procedures to reach these goals, describing methodologies for evaluation, describing procedures to involve libraries and their areas in policy decisions to implement this subtitle, and assuring that reporting practices required by the Secretary will be implemented. The Senate amendment requires States to provide similar information as part of the State plan, which covers a period of 5 years.

The Senate recedes with an amendment providing that States submit a plan covering a 5 year period.

556a. The House bill requires the Secretary to approve each application which meets the requirements outlined in Note 556. The House bill further provides States with an opportunity to revise their applications, should they fail to be approved. The
Senate amendment requires the Director to approve a State plan if it meets the purposes of this subtitle. The Senate amendment further provides that if a State plan is not approved, the State will have an opportunity to revise its plan, that the Director will provide the State with technical assistance and that the State library administrative agency will have the opportunity for a hearing.

The House recedes.

557. The House bill, but not the Senate amendment, requires that State library administrative agencies use at least 97% of funds provided under this subtitle for electronically connecting libraries to integrated career center systems, establishing or enhancing linkages among libraries, assisting libraries to access information through electronic networks, encouraging the formation of library consortia, helping libraries acquire and share new technologies, and improving library services for individuals with special needs. The Senate amendment does require that State library administrative agencies follow their State plan.

The Senate recedes with an amendment requiring State agencies to expend at least 96 percent of funds received under this subtitle to establish or enhance linkages among or between libraries, library consortia, one-stop career centers, and local service providers, or any combination thereof, and to target library and information services to persons having difficulty using a library and underserved urban and rural communities, including children from families living below the official income poverty line. Each State agency may apportion funds between these purposes, as appropriate, to meet the needs of the individual State.

The Managers note that these purposes are not mutually exclusive, and that enhancing electronic resources may also meet the needs of disadvantaged persons.

557a. The House bill limits the amount of each States allotment used for administrative expenses by the State library administrative agency to no more than 3%. The Senate amendment limits this amount to 5%. (See Note 554.)

The House recedes.
558. The Senate amendment, but not the House bill, creates a separate program to provide library services for special populations. However, the House bill does make the improvement of library services for special populations an allowable use of funds at the discretion of the State library administrative agency.

The Senate recedes.

559. The Senate amendment, but not the House bill, requires State library administrative agencies to reserve up to 15% of their Federal funds to serve children in poverty. In determining this amount, the State agency shall set aside up to $1.50 per preschool child from families below the poverty level, and up to $1.00 per school aged child from families living below the poverty levels.

The Senate recedes.

559a. Of the amount reserved for children in poverty, the Senate amendment, but not the House bill, requires that each library in the State receive a share equal to its share of such children.

The Senate recedes.

559b. The Senate amendment, but not the House bill, allows for the aggregation of funds set aside to serve children in poverty, should an individual library's grant be too small to be effective. The Senate amendment further prescribes conditions under which such funds can be aggregated.

The Senate recedes.

559c. The Senate amendment, but not the House bill, requires that public libraries seeking grants to serve children in poverty submit a plan for how those children will be served.

The Senate recedes.

560. The Senate amendment, but not the House bill, sets forth specific criteria under which States must evaluate activities undertaken in accordance with the library technology and library services provisions of the Senate amendment.
The Senate recedes with an amendment moving evaluations to State plan. (See Note 556)

561. The Senate amendment, but not the House bill, requires that States receiving assistance under this subtitle establish a State advisory council. The Senate amendment further sets forth guidelines for the composition and duties of these councils.

The House recedes with an amendment providing that a State may establish a State advisory council which is broadly representative of the library entities within the State.

562. The Senate amendment, but not the House bill, provides for grants for library services for Indian Tribes. The Senate amendment further specifies the purposes for which these grants can be used, requirements as to who may administer these funds, and maintenance of effort requirements.

The Senate recedes with an amendment to conform Indian provisions with the rest of the Act.

562a. The Senate amendment, but not the House bill, prescribes the procedure for applying for grants under this section.

The Senate recedes.

563. The Senate amendment, but not the House bill, establishes a national leadership program for library services, and sets forth activities for which such funds may be used.

The House recedes with an amendment providing for "National Leadership Grants" to enhance the quality of library services nationwide and to provide coordination with museums.

563a. The Senate amendment, but not the House bill, sets forth criteria under which the director may award leadership grants, including that awards be made on a competitive basis.

The Senate recedes.

564. The Senate amendment, but not the House bill, specifies that nothing in this subtitle shall be construed to interfere with State or local initiatives.
The House recedes.


The Senate recedes.

565a. The Senate amendment repeals the Library Services and Construction Act and Title II of the Higher Education Act, but not Part F of the Technology for Education Act.

The Senate recedes.

565b. Both the House bill and the Senate amendment make technical and conforming amendments to reflect these repeals.

Legislative counsel.