Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)

NAYS—101

Archer
Armey
Barcia
Bass
Boehner
Bryant (TN)
Bunning
Burr
Burton
Camp
Canady
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Coburn
Collins (GA)
Combest
Costello
Crapo
Deal
DeLay
Dornan
Duncan
English
Ewing
Fawell
Frisa
Funderburk
Goodlatte
Goodling
Gutknecht
Hastert
Hefley
Herger
Hilleary
Hoekstra
Hoke
Hutchinson
Inglis
Istook
Johnson, Sam
Jones
Kingston
Klug
LaHood
Largent
Lewis (KY)
Lipinski
Livingston
LoBiondo
Lucas
Manzullo
McCrery
McHugh
Minge
Molinari
Myers
Myrick
Neumann
Norwood
Nussle
Parker
Paxon
Peterson (MN)
Petri
Poshard
Quillen
Ramstad
Rogers
Rohrabacher
Roth
Royce
Salmon
Sanford
Scarborough
Schaefer
Sensenbrenner
Shadegg
Skeen
Smith (MI)
Solomon
Souder
Stearns
Stockman
Stump
Tanner
Taylor (MS)
Taylor (NC)
Thornberry
Tiahrt
Upton
Walker
Wamp
Watts (OK)
Whitfield
Wicker
Young (FL)
Zeliff
Zimmer

NOT VOTING—16

Brown (FL)
Collins (MI)
Fields (LA)
Fowler
Gejdenson
Jefferson
Kaptur
Lantos
Meehan
Moakley
Oberstar
Pryce
Reynolds
Sisisky
Tucker
Volkmer

☐ 1208

Mr. LIVINGSTON and Mr. POSHARD changed their vote from ''yea'' to ''nay.''

Mr. METCALF changed his vote from ''nay'' to ''yea.''

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TEXAS LOW-LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT CONSENT ACT

The SPEAKER pro tempore (Mr. FOLEY). The unfinished business is the question of suspending the rules and passing the bill, H.R. 558.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Colorado [Mr. SCHAEFER] that the House suspend the rules and pass the bill, H.R. 558, on which the yeas and nays are ordered.

This is the last in a series of 5-minute votes.

The vote was taken by electronic device, and there were—yeas 176, nays 243, not voting 15, as follows:

[Roll No. 669]

YEAS—176

Allard
Andrews
Archer
Armey
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bateman
Bentsen
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Brewster
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Cardin
Chabot
Chenoweth
Chrysler
Clement
Clinger
Coble
Coburn
Crane
Crapo
Cremeans
Danner
DeLauro
DeLay
Dingell
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fawell
Fields (TX)
Foley
Franks (CT)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Geren
Gillmor
Goodlatte
Goodling
Gordon
Graham
Green
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hostettler
Houghton
Hutchinson
Hyde
Inglis
Jackson-Lee
Johnson (CT)
Johnson, Sam
Johnston
Kelly
Kennelly
Kim
King
Klug
Knollenberg
Kolbe
Laughlin
Lazio
Levin
Lewis (KY)
Lightfoot
Lincoln
Longley
Lucas
Manzullo
McCollum
McCrery
McDade
McHugh
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Minge
Molinari
Moorhead
Moran
Myrick
Neumann
Ney
Norwood
Nussle
Orton
Oxley
Pallone
Parker
Paxon
Payne (VA)
Peterson (MN)
Pombo
Pomeroy
Quillen
Roberts
Rogers
Rohrabacher
Royce
Sanders
Sanford
Saxton
Scarborough
Schaefer
Schroeder
Seastrand
Shadegg
Shaw
Shuster
Skeen
Smith (WA)
Solomon
Souder
Stearns
Stenholm
Stump
Tanner
Tauzin
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Waldholtz
Walker
Walsh
Watts (OK)
Weller
Whitfield
Young (AK)

NAYS—243

Abercrombie
Ackerman
Bachus
Baesler
Barcia
Barrett (WI)
Bass
Becerra
Beilenson
Berman
Bevill
Bishop
Bonilla
Bonior
Bono
Borski
Boucher
Browder
Brown (CA)
Brown (OH)
Bryant (TX)
Burton
Canady
Castle
Chambliss
Chapman
Christensen
Clay
Clayton
Clyburn
Coleman
Collins (GA)
Collins (IL)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Cubin
Cunningham
Davis
de la Garza
Deal
DeFazio
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doyle
Durbin
Engel
Ensign
Eshoo
Evans
Farr
Fattah
Fazio
Filner
Flake
Flanagan
Foglietta
Forbes
Ford
Fox
Frank (MA)
Franks (NJ)
Frost
Furse
Gekas
Gephardt
Gibbons
Gilchrest
Gilman
Gonzalez
Goss
Gutierrez
Gutknecht
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hoyer
Hunter
Istook
Jacobs
Johnson (SD)
Johnson, E. B.
Jones
Kanjorski
Kasich
Kennedy (MA)
Kennedy (RI)
Kildee
Kingston
Kleczka
Klink
LaFalce
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (GA)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McDermott
McHale
McInnis
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Mineta
Mink
Mollohan
Montgomery
Morella
Murtha
Myers
Nadler
Neal
Nethercutt
Obey
Olver
Ortiz
Owens
Packard
Pastor
Payne (NJ)
Pelosi
Peterson (FL)
Petri
Pickett
Porter
Portman
Poshard
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roemer
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Rush
Sabo
Salmon
Sawyer
Schiff
Schumer
Scott
Sensenbrenner
Serrano
Shays
Skaggs
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Spence
Spratt
Stark
Stockman
Stokes
Studds
Stupak
Talent
Tate
Taylor (MS)
Taylor (NC)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Vucanovich
Wamp
Ward
Waters
Watt (NC)
Waxman
Weldon (FL)
Weldon (PA)
White
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (FL)
Zeliff
Zimmer

NOT VOTING—15

Brown (FL)
Collins (MI)
Fields (LA)
Fowler
Gejdenson
Jefferson
Kaptur
Lantos
Moakley
Oberstar
Pryce
Reynolds
Sisisky
Tucker
Volkmer

☐ 1217

Messrs. COOLEY, FOX of Pennsylvania, and STOCKMAN, Mrs. CUBIN, and Mr. BACHUS changed their vote from ''yea'' to ''nay.''

Mr. DELAY changed his vote from ''nay'' to ''yea.''

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

CAREERS ACT

The SPEAKER pro tempore (Mr. FOLEY). Pursuant to House resolution 222 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1617.

☐ 1217

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1617) to consolidate and reform work force development and literacy programs, and for other purposes with Mr. MCINNIS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Pennsylvania [Mr. GOODLING] will be recognized for 30 minutes, and the gentleman from Missouri [Mr. CLAY] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New Jersey [Mrs. ROUKEMA], who has been very active in helping put this bill together.

(Mrs. ROUKEMA asked and was given permission to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Chairman, I rise in strong support of the legislation, and I want to congratulate both the chairman, the gentleman from Pennsylvania [Mr. GOODLING], and the subcommittee chairman, the gentleman from California [Mr. MCKEON] for their valiant and intelligent work on this issue.

Let me begin by stating my strong support for H.R. 1617, the CAREERS Act, and H.R. 1720, the Privatization Act, which has been combined with H.R. 1617 for floor consideration. In particular, I would like to congratulate Chairman GOODLING and Subcommittee Chairman MCKEON for all of the hard work that they put into the CAREERS Act. Through their efforts, they were able to strike a necessary balance between the block grant approach and the need to ensure that the particular job training and vocational education opportunities of eligible groups are protected.

However, we should not, as some Members suggest, give the States one lump block grant with no strings. As I have said from the outset of setting forth the block grant approach, this is not revenue-sharing, and there must be some measure of Federal accountability, oversight and monitoring. We are not sharing revenue with the States which means that we are not writing blank checks to the Governors so that they or the mayors can set up personal slush funds.

It is for this reason that, as a member of both the subcommittee and full committee, I joined Mr. RIGGS in offering a critical standards and accountability amendment which helps to make sure that those individuals participating in programs under this bill receive the necessary education, skills and training to succeed in today's ever-changing job market.

The Riggs-Roukema amendment which passed during markup attempts to achieve some uniformity in the performance measures of the workforce development and delivery system. Under this amendment, the Secretaries of Labor and Education work with the Governors and representatives from business, industry, education, service, providers, and employees to devise challenging performance indicators that build on the statewide standard systems already contained in the bill. So, in a sense, just as this legislation creates collaborative processes at the state and local level, it will now also be done at the national level.

In order to help ensure that the States are attempting to meet these challenging performance indicators, the Governors must also report to the Secretaries of Labor and Education on how successful the local workforce development boards have been in meeting State goals. And, this gives the appropriate Secretary the opportunity to compare how well the state standards have met these challenge levels as well as to offer recommendations to the states on how to better attain them.

Last, this amendment includes essential withholding of funds language to give States an incentive to achieve the State performance goals contained in the bill. This language is consistent with language included in the recently House passed welfare bill which allowed the Secretary to withhold up to 5 percent of AFDC grant funds from States that did not meet minimum job participation requirements. The Riggs-Roukema language would function similarly by allowing the Secretaries of Labor and Education to withhold up to 5 percent of grant funds from States who show poor performance results.

A second area in which this bill has significantly strengthened our current job training system is through the increased participation of business. Through the collaborative process, business plays a much greater role in helping the Governor devise a State work force development and literacy plan. By designating local work force development areas within which local work force development boards function to serve the needs of that area, this legislation gives communities the opportunity to better serve their local economy needs. And, who knows what types of training and vocational education are needed to fill jobs better than business and industry.

By combining business and industry representatives with representatives of the disabled community, community-based organizations, and employees on the local work force development boards, we help to make sure that those outside of the business community have an important say in the types of training and vocational education eventually provided. But, by making business owners, CEO's, and trade association representatives the majority of these boards, we are saying that, contrary to what Secretary Reich says, getting training does not assure a person of a job. Therefore, it is imperative that job training and vocational education be tailored to job opportunities in surrounding economies, while also providing those participants with the skills needed to compete for better jobs in the future.

With respect to H.R. 1720, the Privatization Act, our committee has made some important changes, such as privatizing Sallie Mae and Connie Lee, and repealing numerous higher education programs that were either previously unauthorized or recommended for termination by the President. However, I would like to mention one area of concern, and that is the repeal of SPRE's [State Postsecondary Review Entities].

Back when we wrote the 1992 higher education amendments, Congress enacted a range of measures designed to ensure the integrity of our title IV program and weed out rampant fraud and abuse in the title IV student loan program. The creation of SPRE's was one such reform which gave State units oversight and review ability of State institutions participating in the title IV program.

Some argue that, under the 1992 provisions, the Department of Education already has the means to investigate eligible institutions and detect fraud and abuse. And, therefore, funding State regulators is wasteful and duplicative. However, having been closely involved in the writing of the 1992 amendments, and knowing full well the extent of abuse in the title IV program, I believe that if a SPRE trigger uncovers that schools which are supposed to be providing quality educational programs are mismanaging Federal student aid dollars, then they are worth having.

But, since SPRE's are no longer authorized or funded, it is even more important that we in no way relax other critical 1992 amendments such as the 85/15 rule and the 3-year 25 percent cohort default rate rule. These reforms have succeeded in ending risk-free Federal subsidies for those who promise students a good education that leads to a good job and then fail to deliver on that promise at the expense of both students and the American taxpayer. Any attempt to relax these or other similar reforms would only be an incentive for schools to go back to the days of old when they got away with major scams. They took in the students, gave them no education that could lead to jobs, then they stuck the taxpayers with the default bills.

In closing, let me again express my strong support for both H.R. 1617 and H.R. 1720. And, let me further take this opportunity to thank committee staff for the tremendous work they put into both bills, but particularly the CAREERS Act and the months of negotiating that its drafting involved. The CAREERS Act makes sure that youths and adults receive the training and education that they need so that they are able to contribute to the work force 10 years from now, and not just in the immediate future.

Once again, I congratulate Chairman GOODLING and Chairman MCKEON for putting together job-training legislation that will help to create better and more secure job opportunities for American families and take us into the 21st century better prepared to compete in the global market.

I urge my colleagues to support its passage.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. BOEHNER], one of our leaders.

Mr. BOEHNER. Mr. Chairman, my colleagues, we have today before us the CAREERS bill, and I would like to congratulate my colleagues on both sides of the aisle who have worked diligently this year in order to put this bill together.

As my colleagues know, last November, when the American people decided that they would change Congress, they decided that government in Washington was too large, too expensive, too bureaucratic, and they wanted it straightened out and cleaned up. One of the issues that we have talked about on our side of the aisle for the last couple of years is the issue of job training and job retraining. The fact is that there are 161 job training/retraining programs run by the Federal Government around the country, well-meaning, well-intentioned, trying to do the right thing, but I have got to say I think we have lost our focus, and what the committee is brining before us today is a bill that does provide focus. It moves these programs back to the States where they can be run much more efficiently and more effectively than what we can do here in Washington; and, second, it does bring focus by moving the money into four large block grants for the States to use.

So, Mr. Chairman, this is a giant step in the right direction. It takes the money that the taxpayers have provided, some $25 billion, and puts focus in it, trying to help those in need in

our country that need job training, people who need retraining as their jobs are eliminated, to help maintain their ability to be productive members of our work force, and so, as we look at trying to improve our work force and get our work force ready for the 21st century, this bill could not be any more timely, and I congratulate the chairman of the committee and the chairman of the subcommittee.

Mr. CLAY. Mr. Chairman, I yield myself such time as I may consume.

(Mr. CLAY asked and was given permission to revise and extend his remarks.)

Mr. CLAY. Mr. Chairman, I rise today to offer my views on H.R. 1617, the CAREERS Act. I am cautiously optimistic that we can still produce an acceptable, truly bipartisan bill.

Most committee Democrats supported the reported bill because we agreed that the 80 existing training and education programs should be consolidated. We agreed that a streamlined and coordinated work force development system would be good for the country and good for working men and women. But by no stretch of the imagination were we completely satisfied with the bill. It was moving in the right direction, however. In addition, committee Democrats wanted to show our support for the bipartisan process by which the bill had been developed, by supporting the bill—with the important caveat that a number of serious concerns remained and needed to be addressed.

We thought we had a deal and a commitment from our Republican colleagues to try to resolve our differences when several Republican Governors and Representatives of the ultra conservative eagle forum paid a visit on our counterparts on the other side. They threatened to oppose the bill if their objections were not addressed, and many of the changes made in the bill to accommodate these groups are unacceptable to committee Democrats.

Although, Mr. Chairman, we are dismayed by this series of events, we continue to believe that improvements can be made here on the floor. I would now like to outline the major Democratic objections to this legislation:

First, major changes have to be made to the vocational rehabilitation provisions in title V. This title threatens to undermine our existing State vocational rehabilitation system. Democrats will be hard pressed to support the dismantling of the service delivery system for those citizens most in need of assistance.

Second, at the request of Republican Governors the, committee dropped a provision in the reported bill that provided a dedicated stream of funding for programs that serve youth who are in school and programs that reach out-of-school youth. Under this change Governors could transfer funds for youth programs to adult programs. This is a serious flaw that should be corrected.

The reported bill was changed again to include a provision that allows Governors to use future year program funds to pay back funds which have been misused in prior years. I call this the oops provision. If a State program is caught misusing program funds, all a Governor has to do is say oops and wait until next year's Federal funds come in to pay back the Federal Government. I guess this is what some people call efficiency.

Mr. Chairman, the bill does not contain a smooth transition from the school-to-work program to the New CAREERS Act. Without it, the bill could lead to a significant disruption in the existing job training network.

Finally, the bill's authorization level is inadequate to create the kind of service delivery system envisioned by this legislation.

Mr. Chairman, the Members of this side of the aisle will be offering amendments to improve this bill. I urge my colleagues to support them. We have the opportunity to create a more effective education, employment and rehabilitation system. Working men and women deserve nothing less.

Mr. Chairman, I reserve the balance of my time.

Mr. GOODLING. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, it has been a long time coming, but all good things take a lot of time, I suppose. There are many people, and I do not want to start saying who because I will surely miss someone who worked probably in some instances for 2 years to put this legislation together. I do want to call to my colleagues' attention those on our side and the other side particularly who have been out in front: The gentleman from California [Mr. MCKEON], the gentleman from California [Mr. CUNNINGHAM], the gentleman from Missouri [Mr. CLAY], and the gentleman from Montana [Mr. WILLIAMS], who have been moving this bill in the right direction, and others even before we got to this point this particular year. It has gotten the respect, I believe, of the minority, the majority, and the White House, so we finally bring something to the floor that more people agree that we are moving in the right direction.

I do want to point out that we are constantly working to try to improve the bill, and we will continue to do that as we move to conference. it is imperative that we have a bill on the House side because, if we do not and the other side puts it on their welfare reform bill, then we will go to conference with nothing and be pretty much at their mercy.

Basically what we are pointing out is that we take those 150 programs, and every speaker will probably have a different number, but however many, that at least 90 of them that have been appropriated, and we put them into the four blocks; we have the adult consolidation grant, we have the youth consolidation grant, we have the vocational rehabilitation consolidation grant, and we have the adult education and literacy consolidated grant.

I just want to point out again, as I tried to do in the Committee on Rules, that we have tried to deal with some of the concerns that people have. We want to be very, very careful in dealing with the vocational rehabilitation part because there is a split. We have those State directors who are constantly indicating that they do not want any change, they want everything to be as it presently is, and unfortunately they have done a disservice to people in the disability community because they tried to stir them up and say, ''Boy, you are going to lose everything,'' whereas on the other hand the disability community is telling us, ''Don't let us stick with no competition again on the State level because we're going to be stepsisters all other again. We are not very happy that 45 percent of their money is used for administration and counseling.'' That does not leave too much to actually see about training, educating, and getting them, above all, into the work force where there are meaningful jobs. So I repeat again one of the letters that I received from ARC, the Association for Retarded Citizens of the United States, and I quote:

> To delink the vocational rehabilitation system from this new system in CAREERS will only serve to isolate the VR system and people with mental retardation from the employers. No one would gain except those professionals in the VR system whose sole agenda is to protect turf. We do not think that is what reform is all about.

Mr. Chairman, I do not think I could have said it better myself. Some have complained that this bill could lead to mandatory Federal tracking. I am sure that the way the bill is written that would be an impossibility. They used to say during the cold war that we looked under our bed every night because there may be a Communist under there. For some reason or an other I think people are looking on every page and somehow deciding that there may be a Communist on that page. I will assure my colleagues returning the power to local and State governments, I thought that is what most people were all about, trying to make sure that they improved the programs.

□ 1230

We do not hand them money and say go do your own thing. We have things that we expect them to do, but, above all, we expect them to improve the job training programs and the education programs that are out there so that we will be competitive in the 21st century.

We are not talking about the Loganville competing with Jacobus. Members probably do not know where those two great towns are. We are talking about the United States competing in a global market, so we have to make the changes.

Mr. Chairman, we have to keep in mind that we will send $37 billion in 1996 for the 25 percent who will get a 4-year college degree. For those who are trying to get 4-year college degree and those that will—$37 billion. All we ask here is $2.3 billion for the 75 percent

who will never receive a 4-year college degree but who will be an important part of our constituency if we are going to be competitive.

Mr. Chairman, it has been a long time coming, but today we are finally considering legislation which represents significant reform of this country's job training and work force preparation programs. The CAREERS Act consolidates and reforms over 150 existing education, job training, and employment assistance programs into 4 consolidation grants to States and local communities—creating an efficient, market-driven, and customer-focused work force development system in the United States. The bill espouses conservative principles throughout, and everyone from the Republican Governors' Association, the National Association of Counties and other organizations representing local government, to the business community, and others, support its passage.

I want to take a moment to call to the attention of the Congress, the efforts of the chairmen of the Subcommittee on Postsecondary Education, Training, and Lifelong Learning, and of the Subcommittee on Early Childhood, Youth, and Families, the gentlemen from California, Mr. MCKEON and Mr. CUNNINGHAM, whose tireless efforts have resulted in consideration of this reform legislation today. Your dedication to this important issue is admired. We all appreciate your leadership in this area and I thank you for all of your work.

Before I summarize our legislation, and give a bit of an historical perspective on the issue of job training reform, let me say a few things about some of the criticisms that you may hear throughout the course of today's debate. I want to take these criticisms head on, and set the record straight.

First, let's start with vocational rehabilitation. There are some who believe that we should maintain the status quo; in other words, keep the current overly bureaucratic system that fails to place more than two-thirds of the disabled people it serves in meaningful jobs. No doubt, many Members have heard from interested parties on this issue the past few days, but I ask you to keep in mind who you are hearing from for the most part: the bureaucrats who provide these services.

Our bill sides with the consumers of vocational rehabilitation services. Let me read to you from a letter from ARC, formerly known as the Association for Retarded Citizens of the United States, concerning efforts to strike vocational rehabilitation from this bill:

> To delink the vocational rehabilitation system from this new system (in CAREERS) will only serve to isolate the V.R. system and people with mental retardation from the employers. No one would gain, except those professionals in the V.R. system whose sole agenda is to protect turf. We don't think that's what reform is all about.

I couldn't have said it better myself.

Some have complained that this bill could lead to mandatory Federal tracking, forcing students into particular occupations at a very early age. To address this issue, we have added the following provision to the bill: ''Nothing in this act shall mandate that any individual, particularly youth served under title II of this act, be required to choose a specific career path or major.'' This bill does not mandate tracking.

We have heard from various Members concerned about the privacy of labor market and other data collected under the legislation. We have added specific language restating title 13 of the Census Act relating to confidentiality of information, and added language ensuring that this act is consistent with the Family Education Privacy Rights Act.

There have been some concerns expressed about the skill standards provisions of this bill. Our bill recognizes that because work force development programs are all about preparing individuals for careers, we must increase the involvement of business and industry—both small and large—in the design and implementation of State and local work force preparation programs. It is essential that employers identify the skills needed in the workplace, in order that employment and training assistance programs are relevant and useful. As such, we include provisions in the bill that tie program performance to providing the skills that have been recognized by industry as necessary to perform a specific occupation. We also say that program participants may receive skill certificates—portable credentials that certify that an individual has mastered the occupational skills identified by employers as necessary to do a job. We do not require however that any individual must receive such certificates, or that any employer must accept or use skill certificates in making hiring decisions. We are working with Congressman WELDON to add language to the bill clarifying that we will not force anyone to meet these skill standards or to attain a skill certificate. We also add language to the bill clarifying that skill certificate shall not replace high school diplomas or GED's.

Another issue you may hear about is governance. Some complain that CAREERS doesn't mandate that State Education Agencies [SEA's] control all the education money. They are right. We allow States to determine, consistent with their constitutions and State law, which agency should control the money. Most, if not all, States will choose to have their SEA's run this program. But the point is, it should be their decision.

Maintenance of effort is an issue that folks inside the beltway use a lot. In this case, what this means is the Federal Government should force States to maintain their job training spending even when the Federal Government is dramatically scaling back its funding. That just doesn't seem fair to me. Instead, I have agreed in my chairman's package to add a provision saying that Federal funds may ''supplement, but not supplant'' State funds as a compromise.

Finally, one of the big issues that Members, particularly those from the other side of the aisle, may raise concerns a provision that allows Governors to transfer 10 percent of their funds between the youth and adult training blocks. First, let me make it clear that under this transfer authority, transfered funds must be spent at the local level. Second, it is important that every one know exactly why we added this provision to the bill: to allow States additional flexibility to determine how best to meet the education and training needs of their State. This is especially true during this time of substantial cut backs in Federal job training funds. With these dramatically reduced spending levels, it only makes sense to give States the ability to shift a small amount of funding around to fill gaps in services that may arise.

Now, back to the specifics of our bill. We have traveled a long road to reform. Our efforts began in the spring of 1992, when I, along with our then-minority leader Bob Michel, and the gentleman from Wisconsin [Mr. GUNDERSON] introduced the Bush administration's Job Training 2000 legislation, which included many of the underlying principles of reform that are contained in CAREERS. With this legislation, the concepts of consolidation, of integrated service delivery, and of a voucher-driven training system were introduced. The following Congress, Mr. GUNDERSON and I introduced H.R. 2943, the Workforce Preparation and Development Act, which built upon the principles of Job Training 2000—taking reform a few steps further. Later that Congress, we introduced H.R. 4407, the first CAREERS bill, which again, took reform further—consolidating 86 job training programs into 7 block grant systems to States and localities. Today, we are considering legislation which a year ago, I would not have thought possible. The CAREERS bill represents sweeping reform of this country's employment and training system—an effort to vastly improve the employment opportunities for U.S. citizens, and to strengthen U.S. competitiveness.

In addition to the consolidation of over 150 Federal programs into 4 block grants to States and to local communities, CAREERS saves the taxpayer over $6.5 billion over 5 years. The four consolidation grants include: First, a youth development and career preparation grant; second, an adult employment and training grant; third, a vocational rehabilitation grant; and fourth, an adult education and literacy grant. And these four programs, working together, will form each State's work force preparation system.

CAREERS transfers authority to States and local communities for the design and operation of their own individual work force systems. We significantly reduce administrative, paperwork, planning, reporting, and data collection requirements.

CAREERS establishes a system that is market driven by: Requiring business involvement in program design and implementation; the infusion of competition among service providers both through the use of vouchers, empowering individuals to choose the training that fits their needs, and through competition to provide services; and a requirement that training be tied to occupations in demand in the local community. CAREERS also encourages individual responsibility, by stressing an employment-first approach for adults, providing education and training only for individuals determined to be in need of such additional services in order to obtain employment.

The bill encourages, but does not require the establishment of integrated career centers—single points of entry into the local work force development system. The bill does require an integrated approach to service delivery however, where services are integrated at least through computer linkages and interaction between individual employment and training offices in the community.

The legislation improves on our 50-year-old system of labor market information—making it useful to employers and to participants alike—ensuring that work force development programs are related to actual employment needs of employers within States and localities. An accurate and up-to-date system of labor market information is key to empowering individuals to make their own informed career

choices, and is key to the success of a voucher-driven training system.

CAREERS provides a separate block grant for adult education and family literacy. Although it is very important to link adult education to job training programs because of the high number of individuals who need to improve their literacy skills before they can avail themselves of job training and employment opportunities, adult education and literacy programs provide a variety of very important services to our Nation's citizens.

Many individuals use adult education programs to obtain the English language skills they need to obtain citizenship. Others enroll in classes in order to obtain the additional education they need to truly be their child's first and most important teacher. Of great importance to me, are the bill's family literacy provisions, which provide a very intensive approach to adult education. For many children, their parents are undereducated, have low literacy skills, and lack the self-esteem necessary to be their child's first teacher. As a result, these children lack a strong literacy experience, lack reading readiness, and enter school behind their peers. By working with the entire family, family literacy programs not only assist parents in building their literacy and education skills, but they also provide educational assistance to their children to ensure that they do not experience educational failure which can prevent them from becoming productive members of society.

As I mentioned before, a number of provisions have been added to the bill, ensuring confidentiality of information, applying the Family Education Rights and Privacy Act protections to programs established under CAREERS; and clarifying that all data collected from the labor market information system is aggregate data from the census and other public sources. In other words, no personal information is collected on individuals, especially youth. Protections were also added to the bill, clarifying that nothing in the CAREERS Act may be used to compel any individual, especially youth, to pursue a specific career.

Finally, CAREERS takes the bold step of promoting the privatization of two Government-sponsored enterprises, the Student Loan Marketing Association and the College Construction Loan Insurance Association. Both organizations were chartered under the Higher Education Act of 1965 in order to help students and institutions of higher education. Both have successfully fulfilled their original missions and the time is right to free them from Government restrictions and allow their expansion into the private arena. The bill also eliminates the cumbersome and heavily criticized State postsecondary review entities—SPRES—which have placed a tremendous burden on our institutions of higher education. CAREERS prevents the Department of Education from implementing the 85–15 rule—which governs student aid for proprietary schools in an unfair and retroactive way.

The CAREERS Act is true reform. It is a good bill. I urge your support for its passage.

Mr. CLAY. Mr. Chairman, I yield 5 minutes to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I thank the ranking member for yielding time to me. We have worked on this bill in the spirit of bipartisan cooperation. This is the first, if my recollection is correct, the first major piece of reform legislation to reach this floor in a bipartisan manner.

Mr. Chairman, the legislation consolidates more than 80 existing training and education programs into 4 separate block grants. President Bill Clinton encouraged this effort because creating a streamlined, coordinated work force development system is something that is not either a Democratic or a Republican only initiative, it is something that leaders in both parties believe is needed and it remains a priority for President Clinton.

We had some things we wanted to see included in this bill if it were to gain Democratic support, and many of those have been included in the bill before us. Because of that, and because of our friendship together, I want to thank both the gentleman from Pennsylvania, Chairman GOODLING, and the gentleman from California, Chairman MCKEON, for working so closely with the Democratic side as we moved this bill through the committee.

Chairman MCKEON and I held close to 20 days of public hearings on the various aspects of this legislation. After the bill was voted out of our subcommittee, and then the full committee, several Republican Governors and representatives of the Eagle Forum threatened to oppose this bill if the legislation was not altered to meet their own ideological objections, so the bill before us today contains several changes suggested by these groups. My side, frankly, would not have given these groups the changes they wanted, but I understand the necessity for the Republicans to work with them.

Mr. Chairman, the bill, however, is still a pretty good bill. Major changes, however, really have to be made in this bill before it becomes law.

First, the vocational rehabilitation section needs to be completely revamped. As that section now stands, our existing State vocational rehabilitation could be undermined. And make no mistakes, the clients of vocational rehabilitation are overwhelmingly in opposition to that section of this bill.

Second, we must maintain the dedicated funding stream for both in-school and out-of-school youth.

Third, the bill has been changed since committee to allow governors to use future-year program funds to pay back funds which have been misused in prior years; what the gentleman from Missouri [Mr. CLAY] calls the ''Oops'' amendment.

Fourth, the governance structure of this bill is still flawed and could, in a number of instances, result in unproductive political struggles at the State and local levels in ways that could undermine the State and local constitutions or governance systems, and that matter simply has to be corrected.

And, finally, Mr. Chairman, when the bill was in committee there was a bipartisan commitment to work out a smooth transition from the current school-to-work system, which was enacted last year with bipartisan support to this new CAREERS Act. We have not achieved that transition yet, but I believe it is necessary if this bill is to be successfully enacted into law.

Finally, Mr. Chairman, to all of my colleagues let me say this. President Clinton has, for many years, championed many of the provisions that we have now placed in this bill. He has made the use of career grants one of the linchpins of his job training initiatives. One-stop centers, as America has recognized, are a central element of the Clinton job training reform proposals.

Including all the appropriate State and local interests in the development of State and local job training plans, the collaborative process, that is at the heart of this bill, is one of the major reforms made by former President Bush and now President Clinton's School to Work Opportunities Act, which was enacted last year with the support of a bipartisan Congress. President Clinton believes that progress on this bill is an important first step in the process of revamping our Nation's work force development system. Moving this bill forward moves the process along, and so I ask my colleagues to weigh that important factor of Presidential leadership when they cast their vote on this legislation.

Again, I thank the gentleman for the time.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. GUNDERSON], a member of the committee who has been tirelessly working toward giving us a good future as far as our work force is concerned.

(Mr. GUNDERSON asked and was given permission to revise and extend his remarks.)

Mr. GUNDERSON. Mr. Chairman, I rise today in strong support of this legislation and encourage all my colleagues to support it as well. I want to begin by paying special tribute to our leaders on both sides, the gentleman from Pennsylvania [Mr. GOODLING] and the gentleman from California [Mr. MCKEON] on our side; and certainly the gentleman from Missouri [Mr. CLAY] and the gentleman from Montana [Mr. WILLIAMS] on the Democratic side.

This is, ladies and gentlemen, one of the first experiences in this Congress, and a most important experience at this time, during the fall session, where we can literally come to the Congress in a bipartisan manner, and the Congress, in a bipartisan way, can move this legislation out. So I would encourage all of my colleagues of both parties to support this bill as we move through.

Let me say, Mr. Chairman, that we have a couple of basic dynamics that drive this bill. The first dynamic is that we are in a global marketplace, whether we like it or not. This is the post-GATT, post-NAFTA era. And it is not only a global marketplace but a high-tech marketplace. Never have we

had the need for high-skilled trained workers that we do today, and never will workers need the ongoing training and retraining that they need today, simply to keep their jobs, to say nothing of moving upward.

At the same time that we face that dynamic, we also recognize that we are in the process of trying to do this within an era of balancing the Federal budget. So we have less Federal money at the same time we have a greater need. That is the underlying foundation of the legislation in front of us. It is simply a recognition that we are going to have to consolidate programs here at the Federal level, we are going to have to turn as much of this authority and flexibility over to the States and over to the local governments to design and implement programs based on the priorities and the specific needs of their area.

So we consolidate well over 100 programs into 4 basic block grants; an adult training program, an adult education program, a youth training, and the vocational rehabilitation. Within each of those categories we are taking many different programs and sending them back. And as the gentleman from Pennsylvania [Mr. GOODLING], the chairman of our committee has said, we have worked long and hard to try to work out the differences and the concerns from the Governors, from the education community, from the business community, from the family groups, et cetera.

Mr. Chairman, none of this has been easy, especially when we are trying to maintain flexibility to accomplish the kind of results that we are particularly seeking. We have done that in this bill. I have to tell my colleagues that I would hope that we would still make some changes. I, like Mr. ROEMER, want to solve some of the transition problems with school-to-work as we move this into conference. I will say that up front.

This bill is not a perfect bill, but it is a giant step forward from where we are today, and, more importantly, it is an essential step in recognizing the dual challenges of preparing a skilled work force within the context of deficit reduction.

I encourage my colleagues to support the bill.

Mr. CLAY. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Chairman, I rise today to discuss this legislation which seeks to consolidate a number of our current job training and education programs into an integrated system. I want to commend the gentleman from Pennsylvania [Mr. GOODLING], my chairman, for his prodigious efforts on this bill.

My colleagues, the direction in which this bill seeks to take us is the right one. For a number of years now, as the employment and training needs of America changed, we have tended to address those needs through specific separately funded and administered programs, and, unfortunately, by that method we have often wound up with overlapping and duplicative efforts which hinder the local community's ability to deliver the services needed.

I want to particularly commend the gentleman from California, BUCK MCKEON, the subcommittee chairman, for recognizing the need for change in that area.

Having said that, Mr. Chairman, I am still somewhat afraid that we are creating a system that will not be able to do what we expect it to do. Today, we will hear that although this bill authorizes funding at a level 20 percent below current levels, we are told that administrative savings and economies of scale will generate savings that can be driven into services for the young people and adults served under this bill.

Mr. Chairman, that was done before the Committee on Appropriations determined that local communities will have $1.5 billion fewer to spend on job training programs next year. That very much frightens me, this lack of fusion between the authorization and the appropriations and the dynamics created by that.

Mr. Chairman, many of my colleagues on the minority side of our committee would like to vote for this bill, and, hopefully, before the day is over we can and will, because we think it is definitely a step in the right direction. But we do have reservations. We want to see an agreement of the vocational rehabilitation title worked out, and I think we are still working on that. I think both sides recognize that that is an effort that should yield some fruit.

We would also like to preserve the progress we have made in the School to Work Act, which Mr. GUNDERSON mentioned in his statement today. This is a very good act brought to us by the Business Roundtable and by many of the chambers of commerce.

The gentleman from Montana [Mr. WILLIAMS] and I will be offering a number of amendments today which will seek to preserve the integrity of decisionmaking in schools. In particular, Mr. WILLIAMS and I will offer an amendment to strike the bill's provisions that would allow a governor to transfer 10 percent of funds between title II youth programs and to title III adult employment and training programs.

Mr. Chairman, there will be a number of other amendments offered to improve this bill by Members on both sides. I want to thank our colleagues on the Republican side of the aisle for working with us. I think we still have work to do today right on this floor, and I think by the time this debate is concluded, if we have worked out the areas I have mentioned, we will have strong support on our side. We will still have some points to work out in conference committee, and I look forward to that, but as has been pointed out, there has been a certain degree of collegiality across the aisle in working this bill out. I hope that continues through the process of discussion today.

Mr. GOODLING. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. MCKEON], the subcommittee chairman, who has burned a lot of midnight oil trying to please everyone, and that is difficult to do.

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Mr. MCKEON. Mr. Chairman, I am pleased today to join with the gentleman from Pennsylvania [Mr. GOODLING], the distinguished chairman of the Committee on Economic and Educational Opportunities. I extend to the gentleman my thanks for his leadership and for the opportunity he has given me as a new chairman, a relatively new Member of Congress, to participate in this process.

Mr. Chairman, I came to Congress with the idea of trying to cut Federal bureaucracy and trying to give power out to the local communities. One of the first things that was given me on this committee was to work on the CAREERS Act.

This is a bill that had been placed into the 103d Congress by the gentleman from Pennsylvania [Mr. GOODLING] and the gentleman from Wisconsin [Mr. GUNDERSON], but we were not able to move it at that time. It was the opportunity of taking 50 job training bills and cutting it down to 4 and block granting it out to the States. With the change in the Congress this year, he gave me the responsibility to carry that legislation. We made changes in it; we increased it to 150 job training bills.

I have here copies of all of the bills that this bill will replace. We are talking about 3,000 pages, cutting it down less to 300 pages, and in the process changing about $1 billion a year.

That did not happen just by putting pen to paper. It was a real process. We started early on. We met with the administration. We met with the other side. I mentioned to the other side that if we had disagreements, it would not be because they were Democrats and we were Republicans. It would be because we had a difference in philosophy. We really have tried to work together and come up with something that we can all be proud of.

In the process, not everyone is happy, not everyone is unhappy. We are probably all kind of in a position that if we were king for a day, we would like things to be maybe a little different, but none of us are. We are all Members of Congress. We are here representing our people throughout this country, and we have tried to involve everyone that will be affected in this process.

There have been some concerns raised. There have been concerns raised specifically about this bill. We have added a number of provisions ensuring confidentiality of information, applying the Family Education Rights and

Privacy Act protections to programs established under CAREERS, and clarifying all data collected from the Data Market Information System's aggregate data from the census and other public sources. In other words, no personal information is collected on individuals, especially youth.

Programs were also proadded to the bill clarifying that nothing in the CAREERS Act may be used to require any individual, especially a young person, to pursue a specific career or career path in school. We are also working with Congressman WELDON on language to add to the bill stating that nothing in the CAREERS Act may be used to require any individual to acquire a skill certificate or skill standards.

As a Congressman from the district in California that has been hard hit by defense and aerospace cutbacks, I understand the need to have an effective and efficient system of work force preparation and employment assistance in this country. The skill of this Nation's work force are more important today than ever before to U.S. competitiveness. However, our current patchwork of Federal programs is not the answer.

I want to thank the gentleman from Missouri [Mr. CLAY] and the gentleman from Montana [Mr. WILLIAMS] and Members on the other side of the aisle, the gentleman from Indiana [Mr. ROEMER], others who have worked so hard to bring this bill to the floor, and Members on our side, the gentleman from Pennsylvania, Chairman GOODLING, the gentleman from Wisconsin [Mr. GUNDERSON], the gentleman from California [Mr. RIGGS], our vice chairman, the gentleman from New Hampshire [Mr. ZELIFF], who is not on this committee, but who has been working on this CAREERS work for a number of years.

There are many that I would like to thank. I should not have even started naming names. But I encourage all of our colleagues to support the CAREERS legislation.

Mr. CLAY. Mr. Chairman, I yield 4 minutes to the gentleman from Indiana [Mr. ROEMER].

(Mr. ROEMER asked and was given permission to revise and extend his remarks.)

Mr. ROEMER. Mr. Chairman, why is there such a cynical attitude in America today, sometimes unfairly, about how Congress does not work, how it is not doing enough to downsize Government, work together, and instead plays blame games and is enmeshed in gridlock all the time?

I think this bill is a fine example of how Congress can work. Now, it is not a perfect bill, and maybe it will move toward perfection in conference. But this bill certainly epitomizes bipartisanship, and I would like to salute the gentleman from Pennsylvania [Mr. GOODLING], the gentleman from California [Mr. MCKEON], the gentleman from Wisconsin [Mr. GUNDERSON], the gentleman from Missouri [Mr. CLAY], and the gentleman from Montana [Mr. WILLIAMS], for working together on a bill.

I would also say that this is about downsizing and efficiency. Over 100 Federal programs are now being consolidated into 4 block grants. That is the direction the American people want us to go in.

Finally, it is about local answers solving some of our problems, not big bureaucracies in Washington, DC, necessarily solving these problems. So I think this bill is a tribute to how Congress can work in the future.

Now, I intended to offer an amendment on the school-to-work transition title of this bill, and I will not offer that because, as the Chinese proverb goes, ''A thousand-mile journey begins with one single step.'' I think we are making a single step in this bill, and I am hopeful we will complete the journey in conference to make sure that we have local problems answered by our Governors and our schools, and not the Federal Government, by continuing a program we have started a few years ago with school-to-work.

Now, why is it a big problem, Mr. Chairman? It is one of the biggest problems that we face in reforming our education system in our work force, because it involves such a big number of students. Seventy-five percent of our students in America do not go on to get a college degree. I have business leaders in my district, small business leaders, two I just met with over the August work period at Schaefer Gear in South Bend. Mr. Bipin Doshie, he employs 75 people in South Bend. He told me he would hire 12 new people tomorrow if we can get better qualified students coming out of our high schools and a better connection between the work force and our schools.

In Syracuse, IN, at Laketronics, Mr. Bob McNary told me he employs 18 people. He would hire 5 more people if we can get better school-to-work corrections at the local level, not coming from Washington, DC.

I would encourage us to work on this very, very important problem, Mr. Chairman, not only because it involves 75 percent of our students, but I think Hedrick Smith says it well in a new book he has just written that I strongly recommend to my colleagues called ''Rethinking America'': Our work force is changing dramatically as we speak. Our education system needs to change dramatically in order to train our new workers on the assembly line. They are not just on the assembly line screwing a screw into a door anymore. They are working on computers. They are working on teams. They are responsible for quality control. These people are our best asset in America, our workers. Let us make sure they are trained adequately at the local level, with our business cooperating and solving this problem, to make sure we are competitive with the Japanese and the Germans.

Mr. Chairman, with that, I again say let us continue to work on this in conference, where I hope to be involved in the conference language on this transition program. Twenty-seven States have started this program. Let us work in a bipartisan way to solve this vexing problem.

Mr. Chairman, again, I salute the Republicans and Democrats working together on this.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska [Mr. BARRETT].

Mr. BARRETT of Nebraska. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, H.R. 1617 will break the shackles of duplication and Federal mandates, and will empower States and localities to design programs that will best meet the needs of their communities.

This bipartisan bill will eliminate more than 150 Federal programs, and will continue the Federal commitment, through local leaders, of providing services to those most in need.

The bill would establish area work force development boards made up of local leaders, advocates, employers, and educators, that know best the needs of their area and can actually see the success and failure of the present system and present programs.

Constituents have told me that H.R. 1617 would eliminate Federal vocational rehabilitation. Nothing could be farther from the truth.

We call for maintaining Federal funding for voc rehab and would redesign the delivery of services by giving local providers and consumers greater opportunities.

Later today we will consider an amendment by Chairman GOODLING that will give States greater flexibility in providing voc rehab services. It would allow the Governor and consumers to come up with an alternative plan to provide needed services. While I have concerns that this may only perpetuate some of the problems existing in voc rehab, it is my hope that it will be an engine of positive change in the States, if they choose this option.

On balance, Mr. Chairman, H.R. 1617 will give those most in need—the individuals, communities, and States—the ability to create or continue to support, programs that provide job training, counseling, and education.

I urge my colleagues to support H.R. 1617.

Mr. CLAY. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, I thank my friend from Missouri for yielding me this time.

Mr. Chairman let me say I rise to say that I have some reservations about this bill, and I am going to be listening to the debate today and listening to the amendments that are put forward to ultimately decide how I vote. But let me say I have very strong reservations about the bill.

First of all, youth development and adult employment block grants are funded at a 20-percent level below the appropriation of last year, for the programs being consolidated. The adult

education block granted is funded 10 percent below last year's level.

Let me say, as I have mentioned many, many times in our committee, my reservation about the whole block grant system. Because I was a State legislator for 12 years before coming to Congress, and when we first heard about block grants, we thought it was a panacea. But we soon learned, very sadly, that it was not.

Block grants only work when they are fully funded. If they are not fully funded, all the States are deciding, all the Governors are deciding, is where to spread the pain, what programs to cut. To me, that does not seem like much progress at all.

The State education department of New York sent me a letter. Let me just read one paragraph.

They said:

> Allowing transfer of funds between block grants, as this bill provides, could result in an additional loss of services to program recipients and unpredictability in funding that disrupts local program planning. We anticipate that Federal funding for work force development programs will be reduced in the coming fiscal year as a result of deficit reduction efforts. Transferability of funds will only exacerbate anticipated uncertainty and cause burdensome fluctuations in services among already underserved groups.

Let me talk about some of the reservations I have. The CAREERS bill helps to eliminate overlap in Federal education and job training programs, but I believe it goes too far. It consolidates 80 programs into four block grants, too much discretion as far as I am concerned for the States to administer such important programs that people depend on. In a crunch, when Governors are looking to save money and cutting budgets, who is going to be hurt by this?

Second, the ability of the Governor to transfer 10 percent of the funds from one title of the bill to the other does not help to ensure, in my opinion, that those who need the funds will actually receive it. The Governor will have chief authority to administer the funds. He could move the funds elsewhere, rather than directing them toward these programs.

Also, instead of cutting bureaucracy, I believe it instead creates new levels of State bureaucracy by giving the Governors full discretion to administer Federal funds while bypassing the State legislatures.

In my State of New York, we already have a State funded system of vocational and adult education created through a State constitution and promulgated by the State legislature. The State system also administers the Federal funding received for these programs.

The CAREERS bill will allow the Governor to administer the Federal funds, thereby in our State creating two bureaucracies in New York, rather than one administrator.

Also, as many of my colleagues have mentioned before, in this bill the vocational rehabilitation section of this bill as it now stands is totally unacceptable. The bill would limit State flexibility and create uneven access to services to those who are the truly needy. Populations such as the blind and disabled need our full attention and must not be shortchanged. I am hoping in the amendment process we can improve the bill. The current system that we have is fully supported by the disability community and is kept intact in the Senate bill.

Let me say after saying all of that, though, I believe that this bill is far preferable to the bill being worked on in the Committee on Ways and Means. So again I would hope by the end of the day we will have some amendments, we will have some agreements, and have some changes. But right now I do believe that the bill is seriously flawed.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. SOUDER], a member of the committee.

Mr. SOUDER. Mr. Chairman, I commend the leadership of the gentleman from Pennsylvania [Mr. GOODLING] and the leadership of the gentleman from California [Mr. MCKEON], the subcommittee chairman, on the CAREERS bill.

Mr. Chairman, the genesis of the CAREERS bill on the floor today dates to the 1973 Comprehensive Employment and Training Act [CETA]. CETA contained employment and training components. The employment segment, especially disliked by fiscal conservatives, provided public service jobs for the unemployed. CETA, at its peak, was funded at $10 billion. The public sector component was targeted for elimination when the Reagan administration took office in 1981.

I represent the congressional district Dan Quayle once held, and am therefore familiar with the Job Training Partnership Act which Dan Quayle sponsored after he won his Senate seat in 1980.

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Senator Quayle won passage of the Quayle training for jobs bill, a $3.8 billion program for training and $1 billion for displaced workers. Under the Quayle bill, State governments had more responsibility for programs but services were provided by local private industry councils.

The Quayle Job Training Partnership Act focused training on economically disadvantaged individuals with serious barriers to employment. JTPA was criticized for imposing numerous Federal restrictions which limited local flexibility, and burdensome planning, reporting and data collection requirements. Senator Quayle made a number of compromises to get his bill through, and today we are trying to improve those JTPA standards. Yet JTPA was flagged as Dan Quayle's most notable legislative accomplishment, when he was chosen as George Bush's running mate. Ironically today, many of Vice President Quayle's staunchest defenders have criticized CAREERS, which significantly improves, from a conservative perspective, Dan Quayle's greatest legacy.

Legitimate concerns arose from a number of grassroots family organizations about careers, once it was approved by the Committee on Economic and Educational Opportunities. To reduce those concerns, language changes were agreed to. And as a result, the bill has been approved.

References to Goals 2000 were stricken. References to curriculum requirements by a State plan under the youth block grant were deleted and adult common core indicators were separated from youth indicators. Finally, parental involvement was encouraged in the design of State and local systems.

I realize there are still some concerns about this bill and, more important, about the Federal Government's continuing role in education. The debate over education reform will continue, and it will be fought vigorously on other more relevant bills.

I would only ask for the family groups to consider the historic perspective on Federal job training. The CAREERS job training bill is a step forward. CAREERS follows on the heels of JTPA, but with far more Federal dollars driven to the local level with greater State and local authority, with greater fiscal accountability and with an anticipated 25-percent cost savings through efficiency and a better plan at the State level. The enactment of CAREERS would result in a total savings of $6.5 billion over 5 years.

We will never eliminate all the concerns that my fellow conservatives share, but the majority of Americans believe that is a role for job training at least at the State level.

As the chairman has said, as long as we are held accountable for those tax dollars, we have an obligation to hold standards to the States. I know the Governors have had a number of concerns and we have addressed some of those concerns. I supported a number of amendments in the committee and continue to support this bill as the best we could pass.

Mr. CLAY. Mr. Chairman, I yield 3 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Chairman, let me just say, I am pleased to be able to speak now because we are in markup in the Committee on the Judiciary on the immigration bill, and yet I think this CAREERS Act is a very critical issue, especially in Colorado.

First of all, I hope that there is going to be an amendment by the gentleman from New York [Mr. OWENS] that I would like very much to support if I get back and certainly will vote for. That is because in my area we have seen a proprietary school closed down right after the term started. All sorts of young students who were on financial aid went in and just saw the doors locked, and it has been a tremendous mess. This school had been in business

for 91 years, and people are still trying to figure out what happened, because absolutely no one anticipated this closure.

Hopefully the Owens amendment will affect that, prevent those types of things in the future, because there is nothing worse than someone trying to get their life together, getting in school, getting the funding and then getting there and finding out the doors are closed.

The second amendment I am terribly interested in is that of the gentlewoman from Hawaii [Mrs. MINK]. The Mink amendment is going to be talking about preserving programs for displaced homemakers, single parents, single pregnant women, and programs that eliminate sex bias in youth development. I just wanted to talk about what we found out in Colorado with those programs.

In 1990, Colorado had 200,000 displaced homemakers; 80 percent of them were single parents. When they went around and asked the people in the program, the customers, if they thought this was a good program and would they recommend it to a friend, 96 percent said yes.

We keep making policy on the 4 percent that said no, but 96 percent of these people said yes. And then when they said, did they think that this was a good use of tax dollars, 74 percent said yes, and they ought to spend more money. Of course, the rest all said yes, it was a good expenditure of tax moneys, but yet as high as 74 percent saying yes and even more money.

Now, I think the Mink amendment makes a tremendous amount of sense. If we are going to talk about eliminating welfare as we know it, which I think is a very good idea, if we are going to talk about trying to help people work, then we ought to make sure that this CAREERS Act does not forget displaced homemakers, does not forget single parents, and does not forget gender bias that is in so much of what we find in some of these jobs, where women get tracked into the pink collar ghettos and can never earn a decent living. So those are two very essential amendments that I would like to see adopted.

Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise today in support of the Owens amendment to require reimbursement by non-Federal funds any federally granted money misspent due to willful disregard of requirements or standards.

A situation brewing in my district speaks to the need and importance of this amendment. Barnes Business College, a 91-year-old proprietary school in Denver abruptly closed and declared bankruptcy just before the fall term this year. Some 700 students, many of whom receive student financial aid, showed up for class only to stare at locked doors and closure notices.

The mystery is that no one saw this closure coming. The State's regulatory oversight office was caught off-guard. State and Federal audits gave the school a clean bill of health up until June 1993, the last government review done. And a recent independent audit disclosed "no instances of noncompliance." Disbursements, receipts, and cash balances all fell in acceptable ranges.

So what happened? I asked the Department of Education to investigate and an investigation has been initiated by the department's inspector general's office. The U.S. Attorney General's office is also asking questions about the draw-down of Federal student loan receipts and the timing of the bankruptcy declaration.

Although nothing is certain yet, this situation does raise questions about the propriety of this proprietary school. And it does follow that if willful disregard of operating procedures was done, the taxpayer is the one who would be held harmless. If nothing else, this amendment serves as a warning to prevent future Barnes episodes and to protect the taxpayer.

Mr. GOODLING. Mr. Chairman, I yield 4 minutes and 30 seconds to the gentleman from California [Mr. CUNNINGHAM], another subcommittee chairman who has worked at great length on this issue.

Mr. CUNNINGHAM. Mr. Chairman, I would like to thank the gentleman for yielding time to me, the chairman of the committee, who has worked valiantly on this particular area.

We got 40 years of Democratic rule that has given us the current disastrous bureaucratic system that they are talking about, and it is going to cost a lot of tax dollars. The tax dollars, the bureaucracy, the rules and the regulations actually make it more difficult than the current system we are trying to save.

The CAREERS Act is one of the most commonsense, conservative pieces of legislation ever to be considered by any Congress. It replaces 150 federally run job training, adult education, and literacy programs which did not talk to each other and do not work together. All have Federal bureaucracies, and all do not work. We need to replace it.

The current CAREERS Act provides States maximum authority and flexibility. One of the concerns from a group that came to me was that we are going to take out the State legislators in this. I have been assured by the gentleman from California [Mr. MCKEON] that that is not the case. As a matter of fact, the language, if not in, is going to be placed into the CAREERS Act so that the Governors do not have full control, that we do put in the State legislatures.

I would be against the bill if it did that because, my being a States rights advocate, I want to make sure that the State legislatures, not just the Governors themselves, have got control of this. The Governors might not like it, but that is the way it should be for the States rights.

As chairman of the House Subcommittee on Early Childhood, Youth and Families, I would like to focus on the portions of the bill that my subcommittee worked on. Title IV on adult education, family literacy and library technology, was moved through the subcommittee. I also have an interest in title II and its role in vocational education.

Title IV of the CAREERS Act consolidates again 22 programs under the Adult Education Act, the National Literacy Act, and the library literacy program under the Library Services and Construction Act, into one block grant for States. By the way, the Library Association and libraries groups fully support the implementation because one of the areas in which I think that if on our side of the aisle, if we are talking about higher technology, higher education, and the technological age, we need to transfer and make sure that they have up-to-date technology, technological equipment such as computers, fiber optics, and so on.

The subcommittee held hearings on this issue in Washington and in San Marcos, CA, in my particular district. We learned from someone like John Corcoran, a teacher, businessman, and author who made statements that men and women who cannot read or write have great difficulty in the most basic skills and can hardly benefit from a regular job training system. Literacy is a program. The National Adult Literacy Survey showed that of Americans at the lowest of five literacy levels, 17 percent receive food stamps, 43 percent live in poverty, and a stunning 70 percent are unemployed or underemployed. So we do need special programs.

He also established that adult education and family literacy grant States recognize that basic education for adults is one of our highest priorities.

When we talk to educators, educational institutions, administration employees, even citizens who need the adult services, the current fragmented job training system keeps them from working with one another in their communities. It is a tangle of 150 programs; in the case of this subcommittee, only 22, much like the welfare system that does not work because it is too big, too cumbersome.

We learned from Scott Himelstein, of the Lynch Foundation for Family Literacy, that if a man or a woman cannot read, one of most successful ways to teach them to read is with their children, so it is encouraged.

Mr. Chairman, the programs that we have before us, there are a lot of areas that work. I think one of the problems with the President's health care bill is he tried to do too much too quick with too many things. What we are going to try and do is make some improvements to the system over a period of time. We would ask for support from both sides of the aisle for those improvements, and we feel right now it is a basically a good bill.

I would urge its support.

Mr. CLAY. Mr. Chairman, I yield 3 minutes to the gentleman from Texas, Mr. GENE GREEN.

Mr. GENE GREEN of Texas. Mr. Chairman, I thank the gentleman for yielding time to me.

I thank my ranking member. I have a particular concern about this bill, but I voted for it as it came out of committee. This bill makes dramatic steps in streamlining over 80 training programs and education programs. I believe almost every Member on both sides of our aisle wants the consolidation of these programs.

I support the bill, as I said, when it came out of committee, with some reservations. This is probably the most bipartisan bill I have seen out of our Committee on Economic and Educational Opportunities this year. However, the point of departure from that support is that there are no guarantees or assurances that people who have a history of being left out will continue to be served.

Later today I will offer an amendment to title V of the bill. As it now stands, this bill threatens to undermine our existing State vocational rehab systems. I believe we can correct this problem with a bipartisan amendment. We are trying to work on it right now, but so far we are not there.

The bill has been changed three times since it came out of our committee. In the last 10 days, there have been some changes. In fact, I know in the manager's amendment in a few minutes there are some suggested changes on voc rehab, but it does not go far enough. It does not go far to make sure that those people who particularly high cost vocational rehab recipients need those benefits and that revenues stream directly to them, not that it be siphoned off for some other program or some other proposal that an individual Governor has.

I was glad to hear my colleague, the gentleman from California [Mr. CUNNINGHAM], talk about that there is going to be a legislative involvement in that. That is not in the manager's amendment. It may be when it comes up on the floor in a few minutes. I am glad there is an effort to do that. But, again, this bill has been out of committee for at least 2 months and has not changed until today to add the legislative involvement with the Governor.

There are a great many provisions in the manager's amendment on voc rehab that concern me. It does not contain a mechanism for the State to control the quality and appropriateness of vocational rehab in local centers.

This bill does not allow the States, and possibly a Governor could make this determination, that the local centers for vocational rehab would not be subject to quality and appropriateness of States services on a statewide basis. It would allow the local work force development board, whose members are not required to know anything about vocational rehab or the needs of the people, to provide guidance providing vocational rehab services.

There is a great deal wrong with this bill on vocational rehab. If this bill passes, the Senate actually is the best issue, it leaves vocational rehab the way it is dealing with those people who hgave been served by a number of States, including Texas, a great deal for many years.

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Mr. GOODLING. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I know the gentleman from Texas did not want to mislead anybody. The funding stream remains exactly as the funding stream is at the present time. We cannot skim anything off of it for any other program. That has not changed.

Mr. Chairman, I yield 2 minutes to the gentleman from New Hampshire [Mr. ZELIFF] who has spent a great deal of time working on this program.

Mr. ZELIFF. Mr. Chairman, I rise in full support of the Goodling-McKeon bill. It was 3 years ago that I first introduced legislation to consolidate the over 161 Federal job training programs into a single block grant. The bill before us today follows my original concept and eliminates about 50 Federal education and training programs. Another 100 of these duplicative Federal programs would be consolidated into four categorical block grants.

I would be less than frank, Mr. Chairman, if I did not tell the Members that many people, including many of our national Governors, feel that my original bill, in a perfect world, would have done a better job of moving resources to the States and away from the micromanagement of the Federal Government. However, I believe it is now time for us, after working very hard together, for us to come together and work together in getting an effective bill passed which will deliver much needed services to people who need our help.

I support the Goodling-McKeon bill because eliminating over 50 programs and consolidating over 100 others is far better than maintaining the existing hodgepodge of Federal programs. This bill is 100 percent better than the current system. When JTPA was enacted into law 15 years ago, originally the focus was, ''Job training legislation must recognize true principles of Federalism. * * * The new legislation will recognize the role of the State in all local programs and end the excessive involvement by the Federal Government. In short, the basic supervisory role previously performed by the Federal Government will now be turned over to the States, the place it really belongs.''

I urge strongly that we support the Goodling-McKeon bill.

Mr. CLAY. Mr. Chairman, I yield 2 minutes to the gentleman from Texas, Mr. GENE GREEN.

Mr. GENE GREEN of Texas. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, our chairman of the committee, and he is our chairman, mentioned that the Governors could not siphon this off, but I am looking at an amendment that would be part of the manager's amendment that allows the Government to appoint a board and develop a proposed plan for alternatives. States have traditionally provided for vocational rehab. In the State of Texas, in the State of South Carolina and a number of States, they have provided for it. The Federal funding is very limited.

This amendment would allow for the Governor in an individual case, maybe if we include the legislature, to come in, but these decisions have already been made locally and would allow the Governor to create and have another revenue stream of Federal funding to do something else without necessarily going back to the legislature. If we want this to be a local control issue, we should give it to the legislature and the Governor to provide it by State law, instead of what is trying to be done in this amendment.

There have been some allegations and concerns about who we represent when we work here on the floor. I have served 20 years in the legislature and worked with lots of not only provider groups, but recipients of vocational rehab services. They are the ones that are our big concern, that we deal with today, not with somebody's job in the State bureaucracy. I would hope that this bill, whether we do it here on the floor and adopt the Green amendment, or we do it in the conference committee and the Senate will hold firm on making sure vocational rehab does not get lost in a CAREERS reform bill.

Mr. GOODLING. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, before me I have a letter from Goodwill Industries International, Inc.:

> Goodwill Industries International, Inc. does not support efforts to delete the Vocational Rehabilitation title of H.R. 1617, the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Careers Act. Some of the amendments being discussed would only protect the status quo in vocational rehabilitation and would give you and your House colleagues virtually no room to negotiate in a conference committee with the Senate.

Another letter before me:

> United Cerebral Palsy Association has been informed that an amendment may be offered * * * when it is brought to the floor for consideration by the full House. We understand that the amendment would either fully strike provisions in CAREERS related to vocational rehabilitation, or significantly remove the linkage between these centers and vocational rehabilitation in States. UCPA urges you to oppose any such amendments.

Mr. Chairman, I yield 1 minute to the gentleman from Louisiana [Mr. BAKER].

Mr. BAKER of Louisiana. Mr. Chairman, I rise to express my appreciation to the chairman and to the gentleman from California [Mr. MCKEON] and also the gentleman from South Carolina [Mr. GRAHAM] on working together to reach an accommodation with regard to the important issue of vocational rehabilitation.

As the manager's amendment now stands, it would provide the ability of

the State Governor to elect and to set up an independent commission at the State level to manage the resources of vocational rehabilitation delivery services. This is an extremely important step in providing consistency for those States who have aggressive vocational rehabilitation services in place. It is an important accommodation the chairman has made.

I rise on behalf of all those interests who have expressed grave concerns about the future delivery of those services in the various States in saying we very much appreciate the courtesies extended and the willingness to meet the needs of that important community of service.

Mr. CASTLE. Mr. Chairman, I support H.R. 1617, the CAREERS Act, because I believe it is a good step forward toward repairing our Nation's existing fragmented, disjointed, and overlapping work force preparation program. The CAREERS Act is a good faith, bipartisan effort to simplify and improve Federal employment training efforts by consolidating or eliminating over 150 existing education, training, and employment assistance programs into four consolidated grants to the States. In doing so, this legislation allows for the development of creative and comprehensive work force preparation programs designed to meet the specific needs of local communities. The bill provides Governors with unprecedented flexibility to address the work force requirements in their own States, and institutes a one-stop delivery system uniting employers and training centers with prospective workers and trainees that has worked so well in Delaware.

If we are to remain globally competitive, a comprehensive work force training program that allows on-the-job training and placement services must exist. I am confident that if this legislation is enacted, it will establish a work force preparation system that will allow us to reduce the number of dislocated workers and people on welfare, and keep our competitive edge in the world marketplace.

The CAREERS Act consolidates 35 categorical education and job training programs for youth into a single comprehensive career preparation grant for youth. Clearly, the Federal Government can play a constructive role in helping States educate and prepare our young people so that they can be productive participants in tomorrow's economy. America's future hinges on the successes of our youth today. The Federal Government has directly supported vocational education since 1917, with the Smith-Hughes Act, which supported programs in agriculture and home economics. Since then, laws have been passed creating additional programs, establishing new priorities, and increasing funding for special populations. However, it is clear today that these programs are not achieving their intended goals. Evidence suggests that the programs need to be consolidated and woven into a seamless system to help youth move from school to jobs and further education.

The CAREERS bill accomplishes this. It encourages the education community to join with local business, community leaders, and parents to reinvigorate old programs. The two principles which undergrid CAREERS are:

1. Vocational/career-related education should become an integral part of a reformed American system of education and training. A comprehensive system would provide all students with access, multiple entry and exit points, clear education pathways, quality programs, high standards, information and linkage to the labor market.

2. Vocational/career-related education should be high quality, and competency-based, with industry involvement

The bill authorizes $2.3 billion in fiscal year 1997 for the youth development and career preparation consolidation grant that provides opportunities to State and local governments to design programs to assist high school age students with job training and vocational education.

The reporting committee, the Economic and Educational Opportunities Committee, of which I am a member, originally included a controversial section on vocational rehabilitation. The overarching goal of this section, title 5, was to transform the system into a flexible and consumer-directed system, focusing on employment, empowerment through choice and vouchers, and results by improving rehabilitation results for those disabled through competition among providers. I believe this change in focus was overdue. I am concerned that the unemployment rate of severely disabled Americans continues to hover close to 80 percent. Many factors affecting this high rate of unemployment need to be addressed by Congress; CAREERS was the committee's first step, good faith attempt to solving this urgent problem.

The public rehabilitation system has evolved over a 75-year history and has developed a degree of expertise and success in serving those individuals with the greatest needs. However, serious shortcomings exist in the centralized service delivery structure—shortcomings that are becoming more glaring as the need for rehabilitation among Americans with disabilities becomes more acute. H.R. 1617, as reported out of committee, maintained current funding for rehabilitation services to individuals with disabilities. To be certain that the specialized expertise for disability services would be built into the new system, the bill provided for a gradual transition phase from the current system to the new system over a 3-year period. H.R. 1617 also built in many safeguards to ensure that individuals with disabilities have their special needs properly addressed in a revised and restructured job training system.

Some members of the disability community were told that under H.R. 1617, individuals with disabilities would lose access to vocational services. I believed this system would provide high quality general and specialized rehabilitation services that would help many more Delawareans with disabilities enter the work force and become contributing, productive participants in society.

H.R. 1617 allowed Delaware to continue to play a role, in coordination with the local system, for delivering direct services when necessary, and would have permitted to Delaware to maintain separate rehabilitation agencies for the blind. In testimony before the House Subcommittee on Select Education in 1986, James Gaschel, director of governmental affairs for the National Federation of the Blind, testified:

> This sense of growing frustration with the current system of vocational rehabilitation has led many of us in the National Federation of the Blind to give thought to alternative system of services rather than using the traditional vocational rehabilitation State agencies. One plan would be to install a free market system where clients could pick and choose among rehabilitation agencies who would, in a sense, be competing for their patronage. This would be a step beyond and outside of the institutionalized State vocational rehabilitation agency system. It would provide a rehabilitation benefit in a sense of portable funding available to a handicapped individual for use at any agency capable of providing the services. Maybe we are ahead of our time in proposing such a concept, or even thinking about it, but we think Congress should consider it.

In conclusion, based on input from consumers and others over many years, the State-run rehabilitation system is not nearly as efficient in the use of resources as it should be, is slow to respond to individual needs and aspirations has very little accountability for outcomes, and allows very limited market forces of competition to improve the quality of services to individuals with disabilities. I believed it to be essential, in the development of a statewide work force preparation system under H.R. 1617, that vocational rehabilitation be a full partner in the system. It would have allowed disabled individuals to gain access to specialized rehabilitation and employment services through a new, locally based, one-stop career center system.

The choice before Congress is clear. It can allow the status quo bureaucracy to continue its mediocre performance in helping individuals with severe disabilities. Or, Congress can take the next logical step in reform of vocational rehabilitation by making the system more focused on real employment outcomes, empowering individuals through direct choice and service vouchers, and getting better results from vocational rehabilitation providers. I look forward to continuing to work on this legislation to improve it as it moves through the legislative process.

Mr. DAVIS. Mr. Chairman, I am pleased to rise in support of this important piece of legislation, and specifically in support of the provisions of this bill that authorize Sallie Mae to reorganize into a fully private company. This is one of those moments that I can state without reservation that what is good for northern Virginia is good for the country, and vice versa.

Sallie Mae employs over 1,000 highly skilled workers in Fairfax County, VA. Their presence is an important part of that community not only in terms of the jobs they provide, but in their commitment to community service activities in the region. Privatizing Sallie Mae will be a boost to northern Virginia, as it holds the promise of a growing Sallie Mae presence in that area, in contrast with the work force contractions which the company has undertaken over the past year.

More importantly, however, Sallie Mae's privatization is good for the American taxpayer. Today, unbeknownst to them, taxpayers are standing behind Sallie Mae's more than $50 billion in outstanding indebtedness. While there is no formal Federal guarantee on Sallie Mae's debt, those who purchase Sallie Mae securities do so based on their perceived ability to look to the Federal Treasury if Sallie Mae were to default on its obligations. Ridding the taxpayer of this sort of off-balance-sheet liability is good public policy and it is the right thing to do for the American people.

Sallie Mae has done a great service to this country as it has fulfilled its mission to assure access to student loans. More than $20 billion in student loans flowed through guaranteed loan programs last year, making a college education affordable for millions of American families. As a private company, Sallie Mae will continue to meet that need, and it will be free to use its technological and personnel resources to serve higher education in new and innovative ways. Sallie Mae no longer needs to be a government-sponsored enterprise [GSE] to meet the needs of students, parents, and schools.

Through this action today, the Congress is demonstrating to the American people its willingness to cut the Federal Government's ties when they are no longer needed. This action is reinventing government at its best and I am pleased to be closely associated with this effort. Northern Virginia and the Nation will be better places as a result.

Mr. REED. Mr. Chairman, as a member of the House Committee on Educational and Economic Opportunities, I voted to report H.R. 1617 for a number of reasons, including the need to cut back and consolidate job training programs.

I did so with the understanding that this legislation was a bipartisan work in progress. To a good extent this has been true with one noted exception—vocational rehabilitation for our Nation's disabled citizens.

Regrettably, this bill, which does so much to consolidate programs and transfer responsibility to the States, would eliminate the current vocational rehab block grant which already works.

The job training system needs fixing, but the same does not hold true for the vocational rehabilitation system, and that is why the Senate did not tamper with the vocational rehabilitation system in its job training bill. The other body realizes that the current system already gives the States flexibility to meet the vocational rehabilitation needs of their citizens.

That is also why the National Governors Association supports the amendment to maintain the current vocational rehabilitation system offered by Mr. GREEN. The Governors understand the axion; ''if it ain't broke, don't fix it.''

Some would argue we need to increase competition between public and private rehabilitation providers, but the only problem is that in 21 States there are no private providers and in my State of Rhode Island there is only one.

Others argue that the General Accounting Office has criticized the current system. However, the GAO found that for every $1 invested in the vocational rehabilitation system reduced disability payments and increased revenues by $18. In addition, the earnings of participants were four times greater than nonparticipants.

Moreover, while the costs of the program have remained the same, success has increased even with more enrollees who have severe disabilities.

I am also concerned that the system proposed in H.R. 1617 would jeopardize the prospects of individuals with low-incidence disabilities, like blindness, who need very specialized services in order to enter the work force.

Therefore, I am pleased that my colleagues joined me in voting to protect our Nation's disabled citizens by supporting Mr. GREEN's amendment.

Mr. Chairman, I want to reiterate that H.R. 1617's goal of consolidation and rationalization is worthy of support, and I look forward to further improvements to this bill when it reaches conference.

Mr. KLUG. Mr. Chairman, Sallie Mae was created in 1972 to help ensure adequate private sector funding for federally guaranteed education loans. It operates under a Federal charter as a Government-sponsored, for-profit, publicly owned corporation. By ensuring liquidity to banks that originate student loans, Sallie Mae has fulfilled the underlying policy objective of full access for qualified students to education loans under the Federal Family Education Loan Program.

The secondary market that Sallie Mae has created is now occupied by 47 participants, and thousands of lenders nationwide are now originating loans and financing them in myriad ways. Market liquidity and access to loans no longer require Government sponsorship. Currently, Sallie Mae is restricted by its Federal charter from entering new lines of business to which its expertise may be suited, such as the processing of high volumes of heavily regulated paper or providing additional services to its college and bank partners.

A fully privatized Sallie Mae would remain committed to its core business of student loans, even as it expands into new arenas. In exchange for the freedom to expand into new areas of business, under H.R. 1617, Sallie Mae would give up the advantages of GSE status, such as exemption from State or local taxes and their exemption from certain SEC requirements. H.R. 1617 will allow the stockholders of Sallie Mae who have substantial financial investments in the company to make the decision on privatization. Once it's privatized, taxpayers will be relieved of the implicit liability estimated at $50 billion, stemming from the Government's implied responsibility for GSE's. I urge my colleagues to support the privatization of Sallie Mae and pass H.R. 1617.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute consisting of the text of H.R. 2332 shall be considered by titles as an original bill for the purpose of amendment.

The first six sections of each title are considered as having been read. Before consideration of any other amendment, it shall be in order to consider the amendment printed in House Report 104–249, if offered, by the gentleman from Pennsylvania [Mr. GOODLING] or his designee. That amendment shall be considered as read, may amend portions of the bill not yet read for amendment, is not subject to amendment, and is not subject to a demand for a division of the question.

Debate on the amendment is limited to a period of 10 minutes, equally divided and controlled by the proponents and the opponents of the amendment. After disposition of that amendment, the bill as then perfected will be considered as original text. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition to a Member who has caused an amendment to be printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered as having been read.

The Clerk will designate section 1.

The text of section 1 is as follows:

SECTION 1. SHORT TITLE.

This Act may be cited as the—

(1) ''Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act''; or

(2) ''CAREERS Act''.

The CHAIRMAN. Are there amendments to section 1? If not, the Clerk will designate section 2.

The text of section 2 is as follows:

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Purpose.
Sec. 4. Authorization of appropriations.
Sec. 5. Definitions.
Sec. 6. Transition.

TITLE I—WORKFORCE DEVELOPMENT INFRASTRUCTURE

Sec. 101. Purpose of title.

Subtitle A—State and Local Responsibilities

Sec. 102. State requirements.
Sec. 103. Collaborative process regarding State system.
Sec. 104. Consolidated State workforce development and literacy plan.
Sec. 105. Establishment of workforce development areas.
Sec. 106. Provisions regarding local workforce development boards.
Sec. 107. Establishment of integrated career center systems.
Sec. 108. Identification of eligible education, training, and vocational rehabilitation service providers.
Sec. 109. Management information systems.
Sec. 110. Performance accountability system.
Sec. 111. Limitation on Federal regulation.
Sec. 112. General provision.
Sec. 113. Liability.

Subtitle B—Amendments to Wagner-Peyser Act

Sec. 131. General program requirements.
Sec. 132. Labor market information.

Subtitle C—Worker Rights

Sec. 141. Requirements.

TITLE II—YOUTH DEVELOPMENT AND CAREER PREPARATION CONSOLIDATION GRANT

Sec. 201. Purposes.
Sec. 202. Definitions.

Subtitle A—State Funding

Sec. 211. National and State funding.
Sec. 212. Within State allocation.

Subtitle B—State Organizational, Planning, and Reporting Responsibilities

Sec. 221. State plan.
Sec. 222. State programs and State activities.
Sec. 223. Incentive awards.
Sec. 224. Core standards, performance goals, and measures.

Subtitle C—Subgrants for In-School and At-Risk Youth

Sec. 231. Partnership agreements.
Sec. 232. Distribution of funds.

Chapter 1—In-School Youth

Sec. 241. Uses of funds for in-school youth.

Chapter 2—At-Risk Youth

Sec. 245. Uses of funds for at-risk youth.
Sec. 246. At-risk youth providers.

Subtitle D—National Programs

Sec. 251. Research activities.

Sec. 252. Assessment and data collection of youth development and career preparation programs.
Sec. 253. National center or centers for research.

TITLE III—ADULT EMPLOYMENT AND TRAINING CONSOLIDATION GRANT

Sec. 301. Purpose.

Subtitle A—Adult Employment and Training Consolidation Grant

Sec. 311. Authorization.
Sec. 312. Allotment among States.
Sec. 313. Allocation within States.
Sec. 314. Additional State plan requirements.
Sec. 315. Use of amounts.
Sec. 316. Core standards, performance goals, and measures.

Subtitle B—Federal Programs

Sec. 321. National discretionary grants.
Sec. 322. Disaster relief employment assistance.
Sec. 323. Research, demonstration, evaluation, and capacity building.
Sec. 324. Workforce skills and development loans.
Sec. 325. Employment, training, and education assistance for Native Americans.
Sec. 326. Employment, training, and education assistance for migrant and seasonal farmworkers.

TITLE IV—ADULT EDUCATION AND FAMILY LITERACY CONSOLIDATION GRANT AND LIBRARY SERVICES AND TECHNOLOGY CONSOLIDATION GRANT

Sec. 401. Findings.
Sec. 402. Definitions.

Subtitle A—Adult Education and Family Literacy Consolidation Grant

Sec. 411. Purposes.

CHAPTER 1—FUNDING

Sec. 421. Reservations from amounts appropriated.
Sec. 422. Allotment.

CHAPTER 2—GRANTS TO STATES

Sec. 431. Requirement to make grants.
Sec. 432. Uses of funds.
Sec. 433. Additional grant requirements.
Sec. 434. Performance measures.

CHAPTER 3—NATIONAL PROGRAMS

Sec. 441. National Institute for Literacy.
Sec. 442. National leadership activities.

Subtitle B—Library Services and Technology Consolidation Grant

Sec. 451. Purposes.
Sec. 452. Authorization of appropriations.
Sec. 453. Allotments.
Sec. 454. Grants to States.
Sec. 455. Uses of funds.
Sec. 456. Annual applications.

TITLE V—AMENDMENTS TO REHABILITATION ACT OF 1973

Subtitle A—Vocational Rehabilitation Consolidation Grant

CHAPTER 1—TRANSITION PERIOD

Sec. 501. Transition.

CHAPTER 2—REVISION OF TITLE I OF REHABILITATION ACT OF 1973

Sec. 511. Revision of title I.

Subtitle B—Other Amendments to Rehabilitation Act of 1973

Sec. 521. Training and demonstration projects.
Sec. 522. Employment opportunities for individuals with disabilities.
Sec. 523. Certain amounts.

TITLE VI—HIGHER EDUCATION PRIVATIZATION

Sec. 601. Reorganization of the Student Loan Marketing Association through the formation of a holding company.
Sec. 602. Privatization of College Construction Loan Insurance Association.

TITLE VII—REPEALERS AND OTHER AMENDMENTS

Sec. 701. Higher education provisions.
Sec. 702. Amendment to Higher Education Act.
Sec. 703. Carl D. Perkins Vocational and Applied Technology Education Act.
Sec. 704. Smith-Hughes Act.
Sec. 705. School-to-Work Opportunities Act of 1994.
Sec. 706. School Dropout Assistance Act.
Sec. 707. Adult Education Act.
Sec. 708. National Literacy Act.
Sec. 709. Library Services and Construction Act.
Sec. 710. Technology for Education Act of 1994.
Sec. 711. Job Training Partnership Act.
Sec. 712. Stewart B. McKinney Homeless Assistance Act.
Sec. 713. Effective date.

AMENDMENT OFFERED BY MR. GOODLING

Mr. GOODLING. Mr. Chairman, I offer the chairman's amendment to the CAREERS Act.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. GOODLING: Page 2, in the matter relating to section 108, strike ''Education'' and insert ''education''.

Page 2, in the matter relating to subtitle C, strike ''Worker Rights'' and insert ''General Provisions''.

Page 2, in the matter relating to section 141, strike ''Requirements.'' and insert ''Worker rights.''.

Page 2, after the matter relating to section 141, insert the following:

Sec. 142. Transferability.

Page 2, strike the matter relating to section 224.

Page 3, strike the matter relating to section 316.

Page 3, strike the matter relating to section 434.

Page 4, in the matter relating to section 702, strike ''Amendment to Higher Education Act'' and insert ''Eligible institutions.''.

Page 18, line 15, strike ''out-of-school''.

Page 30, beginning on line 20, strike ''organization representing parents''.

Page 31, line 1, insert ''and entity'' after ''agency''.

Page 31, after line 22, insert the following:

(H) the State entity responsible for setting education policies, consistent with State law, on the date preceding the date of the enactment of this Act.

(3) representatives of the State legislature.

Page 32, after line 24, add the following:

(3) DISAGREEMENT.—The Governor shall accept and include with the State plan submitted under section 104, any disagreeing views submitted by a participant of the collaborative process if such views represent disagreement in the area in which such participant was selected for representation.

Page 36, strike lines 8 through 13.

Page 36, line 14, strike ''(d)'' and insert ''(c)''.

Page 38, after ''including'' insert ''academic and vocational administrators, members of local schools boards, principals, teachers, postsecondary and other adult education administrators and instructors, including community colleges,''.

Page 62, line 3, strike ''customer'' and insert ''the''.

Page 63, line 1, strike ''will measure'' and insert ''must demonstrate''.

Page 63, beginning on line 18, strike ''appropriate'' and all that follows through ''among'' on line 19.

Page 71, line 2, insert ''by the Secretary of Labor or the Secretary of Education, as the case may be,'' after ''disallowed''.

Page 71, line 4, strike ''this Act'' and insert ''chapter 2 of title II, title III,''.

Page 71, line 5, strike ''the'' and insert ''such chapter or title''.

Page 72, line 25, strike the semicolon and insert '', which, to the extent practicable, shall be done through the private sector;''.

Page 68, line 3, strike ''elected''.

Page 89, line 19, strike ''Provision'' and insert ''Provisions''.

Page 92, beginning on line 1, strike ''skills'' and all that follows through line 3 and insert ''foundation and occupational skills needed to be successful in a competitive economy and to complete a high school diploma or general equivalency diploma;''.

Page 99, after line 20, insert the following (and redesignate any subsequent paragraphs accordingly):

(4) FEDERAL FUNDS TO SUPPLEMENT, NOT SUPPLANT, NON-FEDERAL FUNDS.—Funds received under this title shall be used only to supplement the amount of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of youth participating in programs assisted under this title, and not to supplant such funds.

Page 139, line 15, insert ''media'' before ''technology''.

Page 140, line 25, insert ''and'' after the semicolon.

Page 141, strike lines 1 and 2.

Page 141, line 3, strike ''(iii)'' and insert ''(ii)''.

Page 148 line 8, strike ''one quarter of one'' and insert ''4''.

Page 149, line 21, strike ''one quarter of one'' and insert ''4''.

Page 222, strike line 10 and all that follows through page 225, line 13, and insert the following (and conform the table of contents on page 226, after line 14):

''SEC. 108. STATE OPTION REGARDING ALTERNATIVE DELIVERY SYSTEMS.

''(a) IN GENERAL.—In the case of the requirements referred to in subsection (b), a State may, in its discretion, elect to use alternative approaches for the implementation of any of the requirements if (subject to the other provisions of this section) the following conditions are met:

''(1) The Governor appoints a board to develop a proposed plan for the alternative approaches.

''(2) Individuals with disabilities who are not State officials or employees constitute a majority of the members of such board.

''(3) The membership of the board includes—

''(A) each State administrative agent designated pursuant to section 103(a); and

''(B) one or more individuals from private industry.

''(4) The State provides that the alternative approaches will be implemented in accordance with the plan developed by the board.

''(5) In the development of the plan, the public is afforded a reasonable opportunity to comment on the proposed alternative approaches.

''(6) The Governor submits to the Secretary a notice that the State is electing to use alternative approaches, and the notice is

submitted to the Secretary not later than 60 days before the beginning of the first fiscal year to which the election applies.

''(b) ALTERNATIVES REGARDING STATE ADMINISTRATIVE STRUCTURE FOR DELIVERY OF SERVICES.—For purposes of subsection (a), a State may elect to implement alternative approaches to requirements in accordance with the following:

''(1) The allocation under section 102(a) (allocating amounts between State administrative agents and local workforce development boards) is in the discretion of the State, except that not more than 80 percent of a grant under section 101(a) for a fiscal year may be reserved for activities of local workforce development boards.

''(2) With respect to the requirements established in sections 103 and 104, the allocation between State administrative agents and local workforce development boards of responsibilities for carrying out the requirements is in the discretion of the State.

''(3) The selection of State officials who are to administer the requirements of section 103 is in the discretion of the State.

''(c) REVIEW AND REVISION OF ALTERNATIVE APPROACH.—An election under subsection (a) ceases to be effective after the third fiscal year of being in effect unless, during such third year, the plan under the election is reviewed. The plan may be reviewed and revised annually. This section applies to the review and revision of the plan to the same extent and in the same manner as this section applies to an original plan under subsection (a).

''(d) PERFORMANCE ACCOUNTABILITY SYSTEM.—An election under subsection (a) for a State does not, with respect to carrying out the program under this title in the State, affect the applicability to the State of section 110 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.''.

Page 236, line 10, strike ''2003'' and insert ''2005''.

At each of the following locations, strike ''2007'' and insert ''2009'': Page 237, line 16; page 242, line 21; page 243, line 19; and page 249, line 4.

Page 255, after line 21, insert the following new paragraph:

(3) LIMITATION OF OWNERSHIP OF STOCK.—Except as provided in subsection (d)(2) of this section, no stock of the Corporation may be sold or issued to an agency, instrumentality, or establishment of the United States Government, to a Government corporation or a Government controlled corporation (as such terms are defined in section 103 of title 5, United States Code), or to a Government sponsored enterprise (as such term is defined in section 622 of title 2, United States Code). The Student Loan Marketing Association shall not own any stock of the Corporation, except that it may retain the stock it owns on the date of enactment. The Student Loan Marketing Association shall not control the operation of the Corporation, except that the Student Loan Marketing Association may participate in the election of directors as a shareholder, and may continue to exercise its right to appoint directors under section 754 of the Higher Education Act of 1965 as long as that section is in effect. The Student Loan Marketing Association shall not provide financial support or guarantees to the Corporation. Notwithstanding the prohibitions in this subsection, the United States may pursue any remedy against a holder of the Corporation's stock to which it would otherwise be entitled.

Page 258, beginning on line 8, strike '', upon request of the Secretary of Education''.

Page 258, lines 11 and 16, strike ''voting common''.

Page 258, beginning on line 12, strike ''one year'' and insert ''6 months''.

Page 258, beginning on line 18, strike ''within'' and all that follows through ''shall purchase'' on line 20 and insert '', the Corporation shall purchase, within the period specified in paragraph (1),''.

Page 258, line 23, insert after ''financial firms'' the following '', however such price shall not exceed the value of the Secretary's stock as determined by the Congressional Budget Office in House Report 104–153 dated June 22, 1995''.

The CHAIRMAN. Pursuant to the rule, the gentleman from Pennsylvania [Mr. GOODLING] and a Member opposed each be recognized for 5 minutes.

The Chair recognizes the gentleman for Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Chairman, I yield myself 2½ minutes.

Mr. Chairman, let me say that these are changes to the Connie Lee privatization language. It shortens the time the Secretary of Education has to sell the Government's Connie Lee stock to 6 months, prohibits Sallie Mae from participating in the operation of Connie Lee, except Sallie Mae maintains representation on the board of Connie Lee, sets the purchase price for the Department of Education stock at no more than the CBO estimated value in the event Connie Lee is required to repurchase the stock, extends Sallie Mae phaseout by 2 years to comply with the 7-year budget agreement; adds State entities to the list of people that are part of the collaborative process to ensure that State boards of education can participate; adds State legislatures to the list of people who can participate in the collaborative process; adds academic and vocational administrators to that group; adds language to title II, the youth block, to ensure that the title II Federal funds are used to supplement, not supplant, State and local funds; encourages private sector coordination and development of a nationwide system of labor exchange services to the public; clarifies that the liability language only applies to the local work force development board and not to in-school educational programs or adult education programs; strikes reference to the Secretary of Labor evaluating performance standards, because there are no Federal performance standards; changes the percent set aside for Indians and migrants in adult training programs from one-quarter of 1 percent to 4 percent; strikes parent organizations from the list of people who can participate in the collaborative process, and just allows parents; strikes ''out of school'' from the definition of limited English proficient, so all youth are covered by the definition; allows States to change the financial distribution within the States for vocational rehabilitation services. If a State panel appointed by the Governor chooses to change such direction, the members of this panel must represent a majority of individuals with disabilities from the private sector, the State director of vocational rehabilitation, the State director of services for the blind, if applicable.

Those are the changes that are in the chairman's amendment.

Mr. Chairman, I yield the remaining time to the gentleman from Florida [Mr. WELDON].

Mr. WELDON of Florida. Mr. Chairman, I was very pleased to see that the series of amendments that I originally proposed to this bill were incorporated by the committee chairman into the manager's amendment. Essentially, my amendments try to achieve two very important goals: First, they ensure that parents will be involved in the design and implementation of the vocational education programs that will be developed with these funds. Second, the amendments made clear that States and localities, not the Federal Government, will decide which performance measures or certificates they will require in their career training programs.

Research has clearly shown that parent participation improves all aspects of student performance. Discipline problems decrease, homework completion and quality improve, reading comprehension and time spent reading both increase. Furthermore, families are strengthened and parents develop closer relationships with their children and become more involved in their children's learning.

Parent participation is particularly weak in secondary vocational education. The National Association of Vocational Education found that one-third of the sites preparing local plans under the Perkins Act did not meet with parents, not even once, leg alone built a continuing partnership with families and the community.

I rise in support of the chairman's manager's amendment, which I think goes a long way to achieving these two very important goals of more parental involvement in the educational process, particularly in the area of vocational rehabilitation, as well as moving of the locus of power and authority more to the local level, where it is very much needed.

□ 1330

I rise in support of this as well as in support of the entire bill.

Mr. CLAY. Mr. Chairman, I yield the balance of my time to the gentleman from Texas, Mr. GENE GREEN.

(Mr. GENE GREEN of Texas asked and was given permission to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Chairman, Members, the manager's amendment is a new amendment that, again, this bill came out of committee 2 months ago with the idea that we were going to work on title V of the vocational rehabilitation section of the bill, and we have seen changes in the last 10 days. We really need more than a weekend to deal with this.

But what the manager's amendment would do instead of cutting bureaucracy, which all of us want to do, and involve those parents involved in it, they are involved on the State level right

now, the State of Texas does not need the Federal Government to tell us to involve parents in their vocational rehabilitation programs for their children.

The amendment, the manager's amendment, would layer another bureaucracy because it would allow the Governor to appoint another agency to oversee the Federal funding. Again, in the general debate we heard that might be expanded to the legislative. But, again, that is not what I see in this manager's amendment that I have had a copy of that we got a copy of earlier.

We want to reduce the bureaucracy. We do not want to add another layer in. That is why the manager's amendment raises concern.

Again, title V of this bill, that substantially changes vocational rehabilitation, needs to be addressed separately in a separate piece of legislation and not in this, because we are going to lose some of the people who need it the most, people who need that vocational rehabilitation effort.

I appreciate the concern of my colleague from Florida about parent involvement, and when I was in the legislature in Texas, we required parents to be involved with public schools. We required public schools to get their parents involved. But, again, we do not need the Federal Government here in Washington telling them in Austin, TX, or even in Tallahassee, they have to get involved. That is part of most States' plans already. Parents are involved. They should. But most of this money is State money. It is not Federal dollars.

Let us leave those decisions locally. I would be glad to lobby my legislature to make sure they include parents because I know they already do, instead of saying we are going to impose a separate possible layer of bureaucracy on vocational rehabilitation. It is so important because we are dealing with, again, our citizens in this country who are harder to educate and harder to train and they are more expensive. We do not need to lose one dime to a bureaucracy that should be going to direct services for these people.

That is why the manager's amendment again has made great strides in some ways but still does not go far enough to deal with the concerns that I have and a lot of my colleagues and a lot of the agencies or agencies and individuals that we have with vocational rehab.

Let me read some of the individuals. You will see this yellow sheet today a great deal. American Council of the Blind, the American Foundation for the Blind, the National Federation for the Blind, the National Head Injury Foundation, the National Industries for the Blind, people who are opposing this bill and the manager's amendment because they are worried they are going to lose the basic support services that we have in Houston, TX, with the Lighthouse for the Blind that are serving a lot of my constituents.

With that, Mr. Chairman, I appreciate the opportunity to oppose the manager's amendment.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GOODLING] has 30 seconds remaining.

Mr. GOODLING. Mr. Chairman, I ask unanimous consent that both sides have an additional 6 minutes on the chairman's amendment.

The CHAIRMAN. Six minutes to be divided, 3 minutes to each side?

Mr. GOODLING. Six minutes either side, 12 minutes divided equally.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GOODLING] has 6½ minutes remaining, and the gentleman from Missouri [Mr. CLAY] has 8 minutes remaining.

Mr. CLAY. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Chairman, I would just like to address a question which affects the manager's amendment and what we do the rest of the day.

I have prepared some amendments based upon the text of the bill, not necessarily based upon the text of the bill as amended by the manager's amendment. Will I be protected technically when I offer my amendments, in case they are not in the exact line or section? Will I be protected and have the assurance from the chairman that we can have whatever technical corrections need to be made before the bill is transmitted?

Mr. GOODLING. I was waiting for a legal interpretation.

The CHAIRMAN. The Chair does advise Members that under the rule, it is an open amendment process. The Chair advises the gentleman from Michigan that it is an open amendment process.

Mr. KILDEE. Well, no, my point is: We worked late last night preparing our amendments based upon the text of the bill that is before us. The manager's amendments have been offered and will probably be adopted. Our amendments may not be in the right exact line or section because of changes made by the manager's amendment. Will we be allowed to make those and have the Clerk make the necessary technical corrections to put those in a proper spot?

Mr. GOODLING. If the gentleman will yield, I would say the gentleman would be able to. But it does become the text, and I would imagine, if these were written last night, they would have been written to my amendments.

Mr. KILDEE. I did not have the manager's night amendments myself, however.

The CHAIRMAN. The Chair would advise both of the gentlemen that there will be situations where an amendment, as a result of a modification, may require modification in another portion of the bill, and that would be in order.

Mr. KILDEE. It would be in order? In the engrossing of the bill, any technical corrections may be made by the motion we usually make at the end of the bill?

The CHAIRMAN. You may redraft your amendments as the bill begins to change as a result of other amendments, if that is the question.

Mr. KILDEE. We will try to keep up.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina [Mr. GRAHAM], another member of the committee.

(Mr. GRAHAM asked and was given permission to revise and extend his remarks.)

Mr. GRAHAM. Mr. Chairman, we are very close to passing what I think is the best bipartisan effort in Congress. I am really excited about what we have been able to do in the Committee on Economic and Educational Opportunities and work together to come up with a good product.

One of the concerns I have had all along in the block granting program is that when we start the block grant, we do not tear down those things that work well. We know the problem areas. We made bipartisan effort to solve the problem areas.

One thing I have been concerned about the whole time is vocational rehabilitation. This is a group of people that really we need to stand up for and make sure that they are protected.

Let me tell you what we have done in this bill to make sure that voc rehab is protected. One, we did not cut any of the funding. The other three areas of the block grant had a 20-percent reduction in funding. Voc rehab stayed the same. The manager's amendment that the gentleman from Pennsylvania [Mr. GOODLING] was talking about creates a system that would allow the Governor in the State to have an alternative program that, in effect, would allow the system in the State to continue as it is if it is delivering a quality product in the eyes of those people that are receiving it in the State, and the Governor responsible, for administering the services in the State.

The gentleman from Texas, Mr. GENE GREEN, has been very good to work with. We are very close to getting an amendment that will allow this bill to go through in a bipartisan fashion. If we need some input from the State legislature, I am certainly open to that. Let us not turn back now. Most of the money does come from the Federal Government in the voc rehab area. There is a matching component that will not be changed by this bill on the States' behalf, but most of this money does come from the national Government. I think all of us, if we are honest with ourselves, will admit that voc rehab can be reformed.

But the manager's amendment, I think, makes great strides to give local control and local authority to fashion programs that deliver the best services to the disabled in each and every State.

One provision that I would like to point out of the alternative program, it

requires the Governor to appoint to the board individuals with disabilities who are not State officials or employees, and they shall constitute a majority of the board that the Governor or the legislature, in conjunction with the Governor, will create.

I think this is the right way to go. We cannot solve everybody's problems, but let us not get the bill off track because of this. I think we can work through the voc rehab problems.

Mr. CLAY. Mr. Chairman, I yield the balance of my time to the gentleman from Texas, Mr. GENE GREEN.

Mr. GENE GREEN of Texas. Mr. Chairman, let me address my colleague, the gentleman from South Carolina [Mr. GRAHAM], and the concerns that he has. I think we share some of them because we both served in the legislature, and I agree with him that I like the idea of having these boards to be including recipients of the aid. Again, that is, I know, in a lot of our local States we require that anyway. But is that a requirement that should be sent down from Washington?

Again, I know I have worked on that, as a legislator, to make sure the people who are subjected to the rules are the ones also involved in the process and serving on those boards.

Let me go over some of the concerns I have about the specifics of the manager's amendment as it deals with vocational rehab. The proposed amendment would allow, again, the Governor to appoint a board which would develop a plan for allocation of vocational rehab funds between the State and local boards. Again, we may change that, and it may be allowing the legislative involvement. As the manager's amendment now stands, it is the Governor. The Governor would appoint the board to develop it. It, again, creates another layer of bureaucracy.

Different States could choose to implement vocational rehab programs in different ways, which that is the benefit of it because, again in Texas and South Carolina, although I think we have similar systems, but they are just a little different, to meet the local needs of our States. Some will opt for an alternative approval, while others can offer the approach prescribed elsewhere in this bill, and again we could then lose the national concern.

So, again, I think vocational rehab needs to be separated from this bill, like the Senate is doing, and deal with vocational rehab on its own.

Our committee held no hearings specifically on title V, and again last Thursday we had the majority staff release the changes of the markup to the bill. Now we have the manager's amendment, and we have not spent the time we need to on something as important as vocational rehab, that instead of just today and maybe the last few days, it should be as a separate piece of legislation.

I think my colleague, the gentleman from South Carolina, and I could agree on a great deal of things as long as we do not lump people who are vocational rehab recipients in with the general population.

Our State and a number of States for 50 years have contributed and made an effort to deal with vocational rehab and to provide funding for it, and they do not particularly want to see Washington come in and say, ''Well, we can do it better.'' I am concerned this bill may provide that guidance, and maybe set up a two-tier system, from what some States may be doing, and depending on what the Governor may decide to do, whether it is included in the legislation or not.

This amendment would not address other problems that are in the full bill regarding vocational rehab services.

Paragraph 105(B)(2)(d) of title V would continue to make the service plan optional, thereby removing program accountability for the direction and quality of the services. Again, we are on the floor of the House in Washington, DC, but the real people who need to know about this legislation, on the streets and in the facilities in Houston, TX and around this country, we want to make sure they are receiving that quality that they may not get if we pass this bill and this manager's amendment today.

This bill would continue to not contain any mechanism for the States to control the quality and appropriateness of those vocational rehab services.

That is why, again, Mr. Chairman, I rise in opposing the manager's amendment, and later on today we will have an amendment to title V that will strike title V and include and ask that vocational rehab be separated so we can get on to reforming our job training for everyone and not having vocational rehab recipients lost in this process, because that is my concern and that is the concern of a number of the groups who have been the beneficiaries of these services for many years.

Mr. GOODLING. Mr. Chairman, I yield myself the balance of my time.

First of all, I would like to indicate there was a day of hearings on the vocational rehabilitation. I also would like to report that the Senate bill keeps vocational rehabilitation in its work force preparation bill. They have not changed their bill. They have kept vocational rehabilitation as part of it.

I would also like to read from the legislation: ''The State will ensure that vocational rehabilitation services under this title, and related core services, are provided by personnel who are qualified to provide the services involved. For purposes of the preceding sentence, the term 'core services' has the meaning indicated for such term under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act. The State will establish plans, policies, and procedures to be followed in carrying out the program under this title.'' In other words, the State must ensure quality standards and quality outcomes.

But let me talk a little bit about the status quo, if that is all we want, if we just want to keep the status quo. Out of 12.6 million severely disabled persons, only 2.9 million are employed, which equals 23 percent. Employment rates for persons with moderate disabilities are comparable with the nondisabled, but employment rates for the severely disabled are drastically lower.

□ 1345

Advocates for the status quo system cannot argue that VR is having a positive impact on employment. The employment rates have been constant during the life of the current Rehabilitation Act. A little over 1 million persons are served under the current Federal-State Vocational Rehabilitation Program. Of those served, about 200,000 cases are closed in a given year. Many of these people could be served by the regular adult program, but the minute anyone mentions that they may have some disability, bingo, they are immediately shipped off to vocational rehabilitation. For the vocational rehabilitation system, rehabilitated means a 60-day job placement. Big deal. Under this low standard, even with only a 60-day job placement, they could only have 71 percent case closures in 1994.

Now look at the success in comparison to tougher standards. Under the tougher Social Security Administration standards, a placement after 9 months, for severely disabled persons on SSI or SSDI, only 9 percent of such case closures were still employed. The 1993 GAO report on the Vocational Rehabilitation Program concluded that the gains in economic status made by the clients were temporary. Is that what we are doing; throwing a bone to the most needy? Within the study group the earnings of those classified as rehabilitated under the 60-day standard had, after 2 years, returned to near or below preprogram levels.

The Projects With Industries, PWI, program, a business community partnership placed 10,901 persons in 1994, 81 percent of whom were severely disabled. Of those served, 25 percent were severely disabled. PWI also costs far less than the current Federal-State program.

So, the status quo advocates cannot argue that their success is demonstrated or that their expertise is unique. Actually success rates in serving the severely disabled have fallen somewhat in the last 2 years.

Of the total $2.5 billion in Federal and State match spent on VR costs are administration, 10.4 percent, counseling and placement, 34.6 percent; purchased services, 54 percent. If we want the status quo and cheat these people, then just do not include them in the program.

Mr. CLAY. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GOODLING].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GOODLING

Mr. GOODLING. Mr. Chairman, I offer an amendment which affects portions of the bill not currently under consideration, and I ask unanimous consent for its immediate consideration.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. GOODLING: Page 70, line 24, before the period insert ''or to meet federally funded or endorsed industry-recognized skill standards or attain federally funded or endorsed skill certificates''.

Page 76, line 17, strike ''data'' and all that follows and insert ''data, which may be aggregated by demographic characteristics, on—''.

Page 76, beginning on line 18, strike ''demographic'' and all that follows through ''Act,'' on line 21.

Page 81, beginning on line 18, strike ''furnished'' and all that follows through ''identified'' on line 20, and insert ''contained in the information so furnished under this title can be used to identify any individual''.

Page 82, line 2, insert ''for purposes'' after ''retained''.

Page 82, beginning on line 4, strike ''or establishment''.

Page 98, line 24, after ''101'' strike ''or'' and insert '', 101A, 343(b),''.

Page 100, line 15, before the period insert ''or to attain a federally funded or endorsed skill certificate''.

Page 110, line 19, insert ''and parents'' after ''employers''.

Page 113, line 10, insert ''and parents'' after ''employers''.

Page 125, line 6, strike ''and''.

Page 125, line 9, strike the period and insert ''; and''.

Page 125, after line 9, insert the following:

(viii) implementation of innovative programs to increase the number of individuals trained and placed in nontraditional employment.

Page 127, line 19, before the period insert the following: ''and individuals seeking to enter nontraditional employment''.

Page 133, beginning on line 4, ''may have up to'' and insert ''shall within''.

Page 133, line 6, strike ''to''.

Mr. GOODLING (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GOODLING. Mr. Chairman, this technical amendment includes changes to H.R. 1617 that are both constructive and noncontroversial, worked out by the other side, I believe, or in agreement. It is an amendment adding to a State's discretionary activities the ability to implement innovative programs to increase the number of individuals trained and placed in nontraditional employment, an amendment clarifying that nothing in this Act shall mandate that any individual, particularly youth, be required to meet federally funded or endorsed industry recognized skill standards or attain federally funded——

Mr. CLAY. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Missouri.

Mr. CLAY. Mr. Chairman, we have reviewed the amendments, and we have no objections.

Mr. GOODLING. In other words, Mr. Chairman, the gentleman is saying, ''Stop talking; we agree.''

Mr. CLAY. Yes, Mr. Chairman.

Mr. GOODLING. I will quit while I am ahead.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GOODLING].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to section 2 of the bill?

If not, the Clerk will designate section 3.

The text of section 3 is as follows:

SEC. 3. PURPOSE.

The purpose of this Act is to transform the vast array of Federal workforce development and literacy programs from a collection of fragmented and duplicative categorical programs into a streamlined, comprehensive, coherent, high-quality, cost-effective, market-based, and accountable workforce development and literacy system that is designed to meet the education, economic, employment, and training needs of the workforce and the competitiveness needs of employers of the United States, both today and in the future.

The CHAIRMAN. Are there any amendments to section 3?

If not, the Clerk will designate section 4.

The test of section 4 is as follows:

SEC. 4 AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated—

(1) for title II, $2,324,600,000 for fiscal year 1997 and such sums as may be necessary for each of the fiscal years 1998 through 2002 to carry out the programs under such title;

(2) for title III, $2,183,000,000 for fiscal year 1997 and such sums as may be necessary for each of the fiscal years 1998 through 2002 to carry out the programs under such title; and

(3) for subtitle A of title IV, $280,000,000 for fiscal year 1997 and such sums as may be necessary for each of the fiscal years 1998 through 2002 to carry out the programs under such subtitle.

(b) PROGRAM YEAR.—

(1) IN GENERAL.—Beginning in fiscal year 1997, and each year thereafter, appropriations for any fiscal year thereafter, appropriations for any fiscal year for programs and activities under titles II, III, and IV of this Act shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.

(2) OBLIGATION.—Funds obligated for any program year under titles II, III, and IV, may be expended by each recipient during that program year and the two succeeding program years, except that the Secretary shall, in accordance with paragraph (3), reallot to eligible States the funds allotted to States from funds appropriated for reallotment.

(3) AMOUNTS AVAILABLE FOR REALLOTMENT.—The amount available for reallotment is equal to—

(A) the amount by which the unobligated balance of the State allotment at the end of the program year prior to the program year for which the determination under this section is made exceeds 20 percent of such allotment for the prior program year; plus

(B) the unexpended balance of the State allotment from any program year prior to the program year in which there is such excess.

The CHAIRMAN. Are there any amendments to section 4?

If not, the Clerk will designate section 5.

The text of section 5 is as follows:

SEC. 5. DEFINITIONS.

For purposes of this Act, except as otherwise provided:

(1) ADULT.—The term ''adult'' means an individual who is 16 years of age, or beyond the age of compulsory school attendance under State law (whichever age is higher), and who is not enrolled or required to be enrolled in secondary school.

(2) ADULT EDUCATION.—The term ''adult education'' means services or instruction below the postsecondary level for adults—

(A) who are not enrolled in secondary school;

(B) who lack sufficient mastery of basic educational skills to enable them to function effectively in society or who do not have a certificate of graduation from a school providing secondary education and who have not achieved an equivalent level of education;

(C) who are not currently required to be enrolled in school; and

(D) whose lack of mastery of basic skills results in an inability to speak, read, or write the English language which constitutes a substantial impairment of their ability to get or retain employment commensurate with their real ability, and thus are in need of programs to help eliminate such inability and raise the level of education of such individuals with a view to making them less likely to become dependent on others.

(3) AREA VOCATIONAL EDUCATION SCHOOL.—The term ''area vocational education school'' means—

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

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

(C) a technical institute or vocational school used exclusively or principally for the provision of vocational education to individuals who have completed or left high school and who are available for study in preparation for entering the labor market; or

(D) the department or division of a junior college, community college or university operating under the policies of the State board and which provides vocational education in not less than 5 different occupational fields leading to immediate employment but not necessarily leading to a baccalaureate degree, if, in the case of a school, department, or division described in subparagraph (C) or this subparagraph, it admits as regular students both individuals who have completed high school and individuals who have left high school.

(4) AT-RISK YOUTH.—The term ''at-risk youth'' means—

(A) an out-of-school, at-risk youth who is an individual age 24 or younger and who is not enrolled in a secondary or postsecondary education program, has not received a high school diploma or its equivalent and must overcome barriers to employment such as

lack of sufficient education or vocational skills, economic disadvantages, disability, or limited English proficiency; or

(B) an in-school, at-risk youth who is an individual age 24 or younger who is enrolled in an accredited secondary or postsecondary education program but is at risk of dropping out of school or must overcome barriers to complete an education program, such as economic disadvantages, disability, or limited English proficiency.

(5) COMPREHENSIVE CAREER GUIDANCE AND COUNSELING.—The term ''comprehensive career guidance and counseling'' means a program—

(A) which pertains to the body of subject matter and related techniques and methods organized for the development in individuals of career awareness, career planning, career decisionmaking, placement skills, and knowledge and understanding of local, State, and national occupational, educational, and labor market needs, trends, and opportunities;

(B) which assists such individuals in making and implementing informed educational and occupational choices; and

(C) which is comprehensive in nature.

(6) CAREER GRANT.—The term ''career grant'' means a voucher or a credit issued to a participant under title III of this Act, or title I of the Rehabilitation Act of 1973, for the purchase of education or training services from certified providers of such services, in accordance with the provisions of this Act, and with guidelines issued by the State.

(7) CASE MANAGEMENT.—The term ''case management'' means the provision of a client-centered approach in the delivery of services designed to—

(A) empower individuals to make informed career choices;

(B) prepare and coordinate comprehensive employment plans, based upon such individual choices, such as service strategies for participants, to ensure access to necessary training and supportive services, using, where feasible, computer-based technologies; and

(C) provide job and career counseling during program participation and after job placement.

(8) CHIEF ELECTED OFFICIAL.—The term ''chief elected official'' means the chief elected executive officer of a unit of general local government in a workforce development area.

(9) COMMUNITY-BASED ORGANIZATION.—The term ''community-based organization'' means a private nonprofit organization that is representative of a community or significant segments of a community that provides or facilitates education, vocational rehabilitation, job training, supportive services, or internship services and programs.

(10) DEMOGRAPHIC CHARACTERISTICS.—The term ''demographic characteristics'' means information on population, especially with reference to size, density, distribution, and vital statistics including, age, race, sex, ethnic origin, and income status.

(11) DISLOCATED WORKER.—The term ''dislocated worker'' means an individual who—

(A) has been terminated or laid off or who has received a notice of termination or layoff from employment, is eligible for or has exhausted entitlement to unemployment compensation, and is unlikely to return to a previous industry or occupation;

(B) has been terminated, or has received a notice of termination of employment, as a result of any permanent closure of, or any substantial layoff at, a plant, facility, or enterprise;

(C) has been unemployed long-term and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which such individual resides, including an older individual who may have substantial barriers to employment by reason of age; or

(D) was self-employed (including farmers and ranchers) but is unemployed as a result of general economic conditions in the community in which they reside or because of natural disasters.

(12) DISPLACED HOMEMAKER.—The term ''displaced homemaker'' means an individual who—

(A) is an adult; and

(B)(i) has worked as an adult primarily without remuneration to care for the home and family, and for that reason has diminished marketable skills;

(ii) has been dependent on public assistance or on the income of a relative but is no longer supported by such income; or

(iii) is a parent whose youngest dependent child will become ineligible to receive assistance under the program for aid to families with dependent children under part A of title IV of the Social Security Act within 2 years of the parent's application for assistance under title II of this Act.

(13) EARNINGS.—The term ''earnings'' means gross hourly wages before any deduction, plus the estimated hourly value of bonuses, tips, gratuities, commissions, and overtime pay either expected or received. In the case of individuals in subsidized employment, total hourly earnings include any wage subsidy paid to the individual.

(14) ECONOMIC DEVELOPMENT AGENCIES.—The term ''economic development agencies'' means State and local planning and zoning commissions or boards, community development agencies, and other State and local agencies and institutions responsible for regulating, promoting, or assisting in State and local economic development.

(15) ECONOMICALLY DISADVANTAGED.—The term ''economically disadvantaged'' means an individual who—

(A) receives, or is a member of a family which receives, cash welfare payments under a Federal, State, or local welfare program;

(B) has, or is a member of a family which has, received a total family income for the 6-month period prior to application for the program involved (exclusive of unemployment compensation, child support payments, and welfare payments) which, in relation to family size, was not in excess of the higher of—

(i) the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)), or

(ii) 70 percent of the lower living standard income level;

(C) is receiving (or has been determined within the 6-month period prior to the application for the program involved to be eligible to receive) food stamps pursuant to the Food Stamp Act of 1977;

(D) qualifies as a homeless individual under subsections (a) and (c) of section 103 of the Stewart B. McKinney Homeless Assistance Act;

(E) is a foster child on behalf of whom State or local government payments are made;

(F) in cases permitted by regulations of the Secretary, is an individual with a disability whose own income meets the requirements of subparagraph (A) or (B), but who is a member of a family whose income does not meet such requirements; or

(G) is an individual meeting appropriate criteria approved by a State.

(16) EDUCATIONAL SERVICE AGENCY.—The term ''educational service agency'' means a regional public multiservice agency authorized by State statute to develop, manage, and provide services or programs to local educational agencies, and is recognized as an administrative agency for such State's vocational or technical education schools or for vocational programs within its public elementary or secondary schools. Such term includes any other public institution or agency having administrative control and direction over a public elementary or secondary school.

(17) EMPLOYED.—The term ''employed'' means an individual who is currently—

(A) a paid employee;

(B) works in his or her own business, profession, or farm;

(C) works 15 hours or more per week as an unpaid worker in an enterprise operated by a family member or is one who is not working, but has a job or business from which he or she is temporarily absent due to illness, bad weather, vacation, labor-management dispute, or personal reasons; or

(D) on active military duty.

(18) ENGLISH LITERACY PROGRAM.—The term ''English literacy program'' means a program of instruction designed to help limited English proficient adults, out-of-school youths, or both, achieve full competence in the English language.

(19) EXCESS NUMBER.—The term ''excess number'' means, with respect to the excess number of unemployed individuals within a State, the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the State, or the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such State.

(20) FAMILY AND CONSUMER SCIENCES.—The term ''family and consumer sciences'' means instructional programs, services, and activities which prepare students for personal, family, community, and career roles.

(21) GOVERNOR.—The term ''Governor'' means the chief executive of a State.

(22) INDIVIDUAL OF LIMITED ENGLISH PROFICIENCY.—The term ''individual of limited English proficiency'' means an adult or out-of-school youth who has limited ability in speaking, reading, writing, or understanding the English language and—

(A) whose native language is a language other than English; or

(B) who lives in a family or community environment where a language other than English is the dominant language.

(23) INDIVIDUALS WITH DISABILITIES.—The term ''individuals with disabilities'' has the meaning given such term in the Rehabilitation Act of 1973.

(24) INSTITUTION OF HIGHER EDUCATION.—The term ''institution of higher education'' has the meaning given such term in section 481 of the Higher Education Act of 1965.

(25) JOB SEARCH ASSISTANCE.—The term ''job search assistance'' means a service that helps a job-ready individual seek, locate, apply for, and obtain employment. Such services may include, job-finding skills, orientation to the labor market, resume preparation assistance, job finding clubs, job search workshops, vocational exploration, and other employability services.

(26) LABOR MARKET AREA.—The term ''labor market area'' means an economically integrated geographic area within which individuals can reside and find employment within a reasonable distance or can readily change employment without changing their place of residence. Such areas shall be identified in accordance with criteria used by the Bureau of Labor Statistics of the Department of Labor in defining such areas or similar criteria established by a Governor.

(27) LIBRARY.—The term ''library'' includes—

(A) a public library;

(B) a public elementary or secondary school library;

(C) an academic library;

(D) a research library; and

(E) a private library, but only if the State in which such private library is located determines that the library should be considered a library for purposes of this Act.

(28) LITERACY.—The term ''literacy'' means an individual's ability to read, write, and speak in English, and compute and solve problems, at levels of proficiency necessary—

(A) to function on the job, in the individual's family and in society;

(B) to achieve the individual's goals; and

(C) to develop the individual's knowledge potential.

(29) LOCAL EDUCATIONAL AGENCY.—The term ''local educational agency'' has the same meaning given such term in section 14101 of the Elementary and Secondary Education Act of 1965.

(30) MIGRANT FARMWORKER.—The term ''migrant farmworker'' means a seasonal farmworker whose farm work requires travel such that the worker is unable to return to a permanent place of residence within the same day.

(31) NATIVE AMERICAN.—The term ''native American'' means Indians, Alaskan natives, and Hawaiian natives.

(32) NONTRADITIONAL EMPLOYMENT.—The term ''nontraditional employment'' as applied to women refers to occupations or fields of work where women comprise less than 25 percent of the individuals employed in such occupation or field of work.

(33) ON-THE-JOB TRAINING.—The term ''on-the-job training'' means training in the public or private sector that is provided to a paid employee while engaged in productive work that—

(A) provides knowledge or skills essential to the full and adequate performance of the job;

(B) provides reimbursement to employers, up to 50 percent of the participant's wage rate, for the extraordinary costs of providing training and additional supervision; and

(C) is based on the Occupational Employment Statistics Program Dictionary.

(34) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term ''postsecondary educational institution'' means an institution of higher education (as such term is defined in section 481 of the Higher Education Act of 1965) which continues to meet the eligibility and certification requirements under title IV of such Act (20 U.S.C. 1070 et seq.).

(35) PREEMPLOYMENT SKILLS TRAINING; JOB READINESS SKILLS TRAINING.—The terms ''preemployment skills training'' and ''job readiness skills training'' mean training that builds on family efforts to help prepare individuals for work by assuring that they are familiar with general workplace expectations and exhibit work behavior and attitudes necessary to compete successfully in the job market.

(36) PUBLIC ASSISTANCE.—The term ''public assistance'' means Federal, State, or local government cash payments for which eligibility is determined by a needs or income test.

(37) RAPID RESPONSE.—The term ''rapid response'' means assistance that is directly provided by the State, or by local grantees with funds provided by the State, in the case of mass layoffs or plant closures, and that establishes on-site contact with employer and employee representatives within a short period of time (preferably 48 hours or less) after becoming aware of a current or projected permanent closure or substantial layoff in order to—

(A) provide information on, and facilitate access to, available public programs and services for workers losing jobs as a result of such layoff or closure;

(B) provide emergency assistance adapted to the particular closure or layoff;

(C) promote the formation of labor-management committees, where appropriate;

(D) collect information related to economic dislocation and available resources within the State for dislocated workers;

(E) provide or obtain appropriate financial and technical advice and liaison with economic development agencies and other organizations to assist in efforts to avert worker dislocation; and

(F) assist the local community in developing its own coordinated response and in obtaining access to State economic development assistance.

(38) REGISTERED APPRENTICESHIP.—The term ''registered apprenticeship'' means a program registered by the Bureau of Apprenticeship and Training in the United States Department of Labor, or a State Apprenticeship Agency recognized and approved by the Bureau of Apprenticeship and Training as the appropriate body for State registration or approval of local apprenticeship programs and agreements.

(39) SCHOOL DROPOUT.—The term ''school dropout'' means a youth who is no longer attending any school and who has not received a secondary school diploma or a certificate from a program of equivalency for such a diploma.

(40) SEASONAL FARMWORKER.—The term ''seasonal farmworker'' means a person who during the eligibility determination period (12 consecutive months out of 24 months prior to application) has been primarily employed in farm work that is characterized by chronic unemployment or under employment.

(41) SKILL CERTIFICATE.—The term ''skill certificate'' means a portable, industry-recognized credential achieved through programs authorized under this Act, that certifies that an individual has mastered occupational skills at levels that are at least as challenging as skill standards endorsed by the National Skill Standards Board, except that until such skill standards are developed, the term ''skill certificate'' means a credential issued under a process endorsed by the State, based upon established industry standards and benchmarks.

(42) STATE.—The term ''State'' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands.

(43) STATE EDUCATIONAL AGENCY.—The term ''State educational agency'' has the meaning given such term in section 14101 of the Elementary and Secondary Education Act of 1965.

(44) STATE LIBRARY ADMINISTRATIVE AGENCY.—The term ''State library administrative agency'' means the official agency of a State charged by the law of the State with the extension and development of public library services throughout the State.

(45) SUPPORTIVE SERVICES.—The term ''supportive services'' means services which are necessary to enable an individual eligible for training under this Act, but who cannot afford to pay for such services, to participate in a training or vocational rehabilitation program or job search activities funded under this Act. Such supportive services may include transportation, individual and family counseling, child care and dependent care, meals, temporary shelter, financial counseling, needs-based payments, and other reasonable expenses required for participation in a training, job preparation, or job placement program. Such services may be provided in-kind or through cash assistance, except that such services will be provided with funds provided under this Act only after alternative funding sources specifically designated for such services have been exhausted.

(46) UNEMPLOYED.—The term ''unemployed'' refers to an individual who is not employed, who is available for work, and who has made specific efforts to find a job within the prior 4 weeks. Included as unemployed are individuals who are not working, are available for work, and are waiting to be called back to a job from which they have been laid off.

(47) UNIT OF GENERAL LOCAL GOVERNMENT.—The term ''unit of general local government'' means any general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers.

(48) VETERAN.—The term ''veteran'' has the meaning given such term in section 101(2) of title 38, United States Code.

(49) WORK EXPERIENCE.—The term ''work experience'' means a time-limited work activity that provides an individual with the opportunity to acquire the general skills and knowledge necessary to obtain employment.

(50) WORKPLACE MENTOR.—The term ''workplace mentor'' means an employee or other individual, approved by the employer at a workplace, who possesses the skills and knowledge to be mastered by a student or program participant, and who instructs, critiques the performance, and challenges the student or program participant to perform well, and works in consultation with classroom teachers, training providers, parents, and the employer of the student or program participant.

(51) YOUTH.—The term ''youth'' means an individual under the age of 24.

The CHAIRMAN. Are there any amendments to section 5?

If not, the Clerk will designate section 6.

The text of section 6 is as follows:

SEC. 6. TRANSITION.

The Secretary of Education and the Secretary of Labor shall take such steps as they determine to be appropriate to provide for the orderly transition from any authority under provisions of statutes amended or repealed by this Act or any related authority under provisions of this Act.

The CHAIRMAN. Are there any amendments to section 6?

If not, the Clerk will designate title I.

The text of title I is as follows:

TITLE I—WORKFORCE DEVELOPMENT INFRASTRUCTURE

SEC. 101. PURPOSE OF TITLE.

The purpose of this title is to provide for the establishment of an infrastructure within States on which to build a comprehensive system of workforce development and literacy.

Subtitle A—State and Local Responsibilities

SEC. 102. STATE REQUIREMENTS.

(a) IN GENERAL.—For fiscal year 1997 and subsequent fiscal years, a State that desires to receive a grant under one or more of the programs specified in subsection (b) shall—

(1) establish a collaborative process, pursuant to section 103;

(2) develop a State workforce development and literacy plan, pursuant to section 104; and

(3) otherwise comply with the requirements of this Act.

(b) WORKFORCE DEVELOPMENT AND LITERACY PROGRAMS.—

(1) IN GENERAL.—The programs referred to in subsection (a) are the following:

(A) The program under title II, the Youth Development and Career Preparation Consolidation Grant.

(B) The program under title III, the Adult Employment and Training Consolidation Grant.

(C) The program under subtitle A of title IV, the Adult Education and Family Literacy Consolidation Grant.

(D) The program amended by subtitle A of title V (relating to title I of the Rehabilitation Act of 1973).

(2) DEFINITION.—For purposes of this Act, the term ''Workforce Development and Literacy programs'' means the programs specified in paragraph (1).

SEC. 103. COLLABORATIVE PROCESS REGARDING STATE SYSTEM.

(a) IN GENERAL.—The Governor of a State that desires to receive a grant under one or more of the programs specified in section 102(b) shall certify to the Secretary of Education and the Secretary of Labor that a collaborative process, as described in subsection (b) or (c), has been used in complying with the applicable provisions of this Act.

(b) COLLABORATIVE PROCESS.—The collaborative process referred to in subsection (a) is a process for making decisions which includes as participants, at a minimum, the Governor and—

(1) representatives of (which representatives are appointed by the Governor)—

(A) business and industry;

(B) local chief elected officials (representing both cities and counties);

(C) local educational agencies (including vocational educators);

(D) postsecondary institutions (including community and technical colleges);

(E) the State rehabilitation advisory council;

(F) organizations representing individuals served by programs established under this Act (including community-based organizations);

(G) employees;

(H) Parents or organizations representing parents; and

(I) providers of workforce development services (including private-for-profit sector providers); and

(2) the lead State agency official or officials for—

(A) the State educational agency or agencies (including the lead official or officials for vocational education, adult education and literacy, and libraries);

(B) the State agency responsible for economic development;

(C) the State agency or agencies responsible for employment security and for job training;

(D) the State agency responsible for postsecondary education;

(E) the State agency responsible for vocational rehabilitation, and where applicable, the State agency providing vocational rehabilitation services for the blind;

(F) the State agency responsible for administering welfare benefits; and

(G) the representative of the Veterans' Service assigned to the State under section 4103 of title 38, United States Code.

(c) RULE OF CONSTRUCTION.—With respect to compliance with subsection (b)—

(1) a State may use any existing State process (including any council or similar entity) that substantially meets the purposes of such subsection; or

(2) if prior to the date of enactment of this Act, a State has developed a one-stop career center system or a school-to-work system through a collaborative process substantially similar to the process described in subsection (b), the State may use such process.

(d) AUTHORITY OF GOVERNOR.—

(1) FINAL AUTHORITY.—If, after a reasonable effort, a Governor is unable to obtain agreement through the collaborative process described in subsection (b) or (c), the Governor shall have final authority to make decisions and to submit the State plan as described under section 104.

(2) EXCEPTION.—Nothing in this Act shall be construed to negate or supersede the legal authority, under State law of any State agency, State entity, or State public official over programs that are under the jurisdiction of the agency, entity, or official. Nothing in this Act shall be construed to interfere with the authority of such agency, entity, or official to enter into a contract under any provision of law.

SEC. 104. CONSOLIDATED STATE WORKFORCE DEVELOPMENT AND LITERACY PLAN.

(a) IN GENERAL.—The Governor of a State that desires to receive a grant under one or more of the programs specified in section 102(b) shall submit a strategic State workforce development and literacy plan that provides policy guidance with respect to workforce development programs operated in the State, and that meets the requirements of this section to the Secretary of Education and the Secretary of Labor.

(b) CONTENTS.—A State workforce development and literacy plan shall include the following:

(1) A description of the collaborative process under section 103 used in developing the plan.

(2) A statement of the goals of the State workforce development and literacy system, that includes—

(A) a description of how the State will progress toward achieving the goals and purpose of this Act as established in sections 3(a)(5) and 3(b);

(B) an assessment of the needs of the State with regard to current and projected demands for workers by occupation, the skills and education levels of the workforce, the vocational rehabilitation needs of individuals with severe disabilities residing in the State, the skill and economic development needs of the State, and an assessment of the type and availability of youth development and career preparation, workforce development, adult education, vocational rehabilitation, and literacy programs and services in the State; and

(C) the identification of progress indicators, based on the core indicators of performance described in section 110(f), built upon a model of continuous improvement, that the State will use to measure progress made by the State, local workforce development boards, and other applicable local entities who are recipients of financial assistance under this Act in meeting such goals;

(3) A description of how the State has complied, or will comply, with the provisions of sections 105 through 108.

(4) A description of how a State will participate in the national labor market information system under title II of the Wagner-Peyser Act, as added by section 132 of this Act.

(5) Any information required to be included in the plan under any of titles II through IV, and title I of the Rehabilitation Act of 1973, (in the case of a State that desires to receive a grant under any such title).

(6) A description of the measures that will be taken by the State to ensure coordination and consistency and avoid duplication among programs receiving assistance under this Act, including a description of common data collection and reporting processes.

(7) A description of the process used by the State to provide an opportunity for public comment, and input into the development of the plan, prior to submission of the plan.

(8) A description of the process used by the State to consult with representatives of business and industry with respect to the requirements of subparagraphs (A), (B), and (C) of paragraph (2) of this subsection.

(9) Assurances that the State will provide for fiscal control and fund accounting procedures that may be necessary to ensure the proper disbursement of, and accounting for, funds paid to the State under this Act.

(10) A description of the sanctions which the State may impose (including restrictions from future participation or consideration for funding) in instances where recipients of funds under this Act fail to achieve agreed upon expected performance levels, fail to adhere to State mandated fiscal control and funds accounting procedures, or take or fail to take other actions required under the State plan, contracts, or other agreements.

(c) DISAGREEMENT.—The Governor shall accept and include with the plan submitted under subsection (a) any disagreeing views submitted by a participant of the collaborative process if such views represent disagreement in the area in which such participant was selected for representation.

(d) MODIFICATIONS TO PLAN.—A plan submitted by a State in accordance with this section remains in effect until the State submits to the Secretary such modifications as the State determines necessary. This section applies to the modifications to the same extent and in the same manner as this section applies to the original plan.

SEC. 105. ESTABLISHMENT OF WORKFORCE DEVELOPMENT AREAS.

The Governor of a State that desires to receive a grant under one or more of the programs specified in section 102(b) shall, through the collaborative process established under section 103 and after consultation with local chief elected officials, and after consideration of comments received through the public participation process as described in the State plan, designate local workforce development areas within the State taking into consideration the following:

(1) Existing labor market areas.

(2) Units of general local government.

(3) Geographic areas served by local educational agencies and intermediate educational agencies.

(4) Geographic areas served by postsecondary institutions and area vocational education schools.

(5) Service delivery areas established under section 101 of the Job Training Partnership Act (29 U.S.C. 1511) (as such Act was in effect on the day before the date of the enactment of this Act).

(6) The distance that individuals will need to travel to receive services from integrated career centers.

SEC. 106. PROVISIONS REGARDING LOCAL WORKFORCE DEVELOPMENT BOARDS.

(a) IN GENERAL.—The Governor of a State that desires to receive a grant under one or more of the programs specified in section 102(b) shall ensure the establishment of a local workforce development board in each local workforce development area within the State.

(b) STATE CRITERIA.—The Governor, through the collaborative process described under section 103, is authorized to establish criteria for use by local chief elected officials in the workforce development area, in the selection of members of local workforce development boards, in accordance with requirements prescribed under subsections (c) and (d).

(c) REPRESENTATION REQUIREMENT.—Such criteria shall require, at a minimum, that a local workforce development board consist of—

(1) a majority of members who are representatives of business and industry, including individuals who are owners of businesses, chief executives or chief operating officers of private business, and other business executives with optimum policymaking authority in local businesses, selected from among nominees submitted by local business organizations and trade associations;

(2) an individual or individuals with disabilities, who have special knowledge or expertise in the area of vocational rehabilitation;

(3) representatives of education and training, including local educational agencies, postsecondary education institutions, and providers of job training and workforce development services, selected from among individuals nominated by regional or local educational agencies, vocational education institutions, institutions of postsecondary education (including community colleges), providers of job training and workforce development services (including private-for-profit providers), within the workforce development area; and

(4) representatives of community-based organizations, employees, and veterans as nominated or recommended to the board through a process established by the Governors through the collaborative process.

(d) ESTABLISHMENT OF BOARD.—

(1) SELECTION OF BOARD MEMBERS.—

(A) SINGLE UNIT OF LOCAL GOVERNMENT IN AREA.—In the case of a workforce development area that is comprised of only one unit of general local government, the chief elected official of such unit is authorized to select the members of the local workforce development board for such area, in accordance with the State criteria developed pursuant to subsection (b).

(B) MULTIPLE UNITS IN AREA.—In the case of a workforce development area that is comprised of more than one unit of general local government, the chief elected officials of such units are authorized to select the members of the local workforce development board from the individuals so nominated or recommended for such area in accordance with an agreement entered into by such officials and with the State criteria developed under subsection (b). In the absence of such an agreement, the appointments are authorized to be made by the Governor, through the collaborative process, from the individuals so nominated or recommended.

(2) CERTIFICATION.—The Governor is authorized to biennially certify one local workforce development board for each workforce development area.

(3) EXCEPTION.—In any case in which a local workforce development area is a State, the individuals comprising the Governor's collaborative process as described in section 103, may be reconstituted to meet the requirements of this section.

(e) DUTIES OF LOCAL WORKFORCE DEVELOPMENT BOARD.—

(1) LOCAL WORKFORCE DEVELOPMENT PLAN.—Each local workforce development board shall develop a biennial strategic plan and provide policy guidance with respect to workforce development programs operated within their respective workforce development areas. Such strategic plan shall be consistent with the State's collaborative workforce development and literacy plan, be approved by the appropriate chief elected official or officials, and be submitted to the Governor for approval. If after a reasonable effort, a local workforce development board is unable to obtain the approval of the chief elected official or officials, the Board has the authority to forward the plan, with the comments of the chief elected official or officials, to the Governor for final approval or disapproval. Such local plan shall include the following:

(A) Both short-term and long-term goals, and related strategies, to ensure that workforce preparation and development programs, including programs established pursuant to this Act, title I of the Rehabilitation Act of 1973, and the Wagner-Peyser Act, contribute to a coherent workforce development system in the workforce development area.

(B) A description of the performance measures to be used by the local workforce development board for measuring the performance of local service providers under chapter 2 of title II, title III, and title I of the Rehabilitation Act of 1973, and the performance of integrated career center system operators, with whom the Board contracts.

(C) A description of the local integrated career center system to be established in the workforce development area, including—

(i) a description of the process the local workforce development board will use to designate or establish a career center system which ensures that the most effective and efficient service providers are chosen;

(ii) an identification of the roles of individual workforce development programs and programs authorized by the Wagner-Peyser Act; and

(iii) a description of the funding sources to be used in the operation of the career center system.

(D) A description of strategies the local workforce development board will undertake to fully involve local employers, local educational agencies, postsecondary education institutions, adult education and literacy providers, local service providers, parents and other consumers, including individuals with disabilities, and older workers in the development of the workforce development system.

(F) Such other information as requested by the State.

(2) IDENTIFICATION OF OCCUPATIONS IN DEMAND AND TRAINING NEEDS.—The local workforce development board shall use available labor market information and other appropriate methods in order to identify and assess the needs of the workforce development area.

(3) BUDGET AND PROGRAM OVERSIGHT.—

(A) BUDGETING.—

(i) The local workforce development board, working through the State administrative agent, shall develop a budget for the purpose of carrying out local programs established under chapter 2 of title II, title III, and title I of the Rehabilitation Act of 1973, and for integrated career center systems established or designated under section 107 with the exception of funds made available under the Wagner-Peyser Act.

(ii) Such budget shall be subject to the approval of the appropriate chief elected official or officials in the workforce development area.

(B) PROGRAM OVERSIGHT.—The local workforce development board, in partnership with the chief elected official or officials in the workforce development area, shall conduct oversight of the workforce development programs listed in subparagraph (A), and of the integrated career center system established under this title.

(4) ADMINISTRATION.—

(A) FISCAL AGENT.—

(i) The local workforce development board may receive and disburse funds made available for carrying out programs authorized under chapter 2 of title II, title III, and title I of the Rehabilitation Act of 1973 of this Act, or the local workforce development board may designate a fiscal agent (which may include the State through a mutual agreement between the local board and the State), for the purpose of disbursement of funds to career centers and other service providers, as designated by the local workforce development board.

(ii) The Board may employ its own staff, independent of local programs and service providers, and may solicit or accept grants and contributions from sources other than from this Act.

(B) LIMITATION.—The workforce development board, or employees of such board, may not operate programs established under this Act. The Governor is authorized to prohibit the employees of agencies providing staff support to such local workforce development boards from providing workforce development services to individuals served through the use of funds authorized under this Act, and under title I of the Rehabilitation Act of 1973.

(C) CONFLICT OF INTEREST.—A member of a workforce development board may not—

(i) discuss or participate in board consideration; or

(ii) cast a vote;

regarding the provision of services by such member (or by an organization that such member represents) or regarding any matter that would provide direct financial benefit to such member. The Governor may enforce more rigorous conflict of interest standards, as determined appropriate.

(D) INDEPENDENT AUTHORITY.—

(i) The Board shall elect its own chairperson from among the members of the board.

(ii) The board may adopt bylaws and other operating procedures as consistent with the purposes of this Act, and with the policies established in the State workforce development and literacy plan.

(5) OTHER.—The Governor may require local workforce development boards to carry out such other duties as determined to be appropriate by the Governor and the individuals and entities described in section 103, through the collaborative process described in the State plan.

SEC. 107. ESTABLISHMENT OF INTEGRATED CAREER CENTER SYSTEMS.

(a) IN GENERAL.—The Governor of a State that desires to receive a grant under one or more of the programs specified in section 102(b) shall ensure that each local workforce development board establish or designate an integrated career center system in the workforce development area of such board, consistent with criteria established under subsection (b).

(b) STATE CRITERIA.—The Governor, through the collaborative process described under section 103, is authorized to establish statewide criteria for use by local workforce development boards in the designation or establishment of integrated career center systems to ensure that the most effective and efficient service providers are chosen, consistent with the requirements prescribed under subsection (c).

(c) INTEGRATED CAREER CENTER SYSTEM REQUIREMENTS.—At a minimum, integrated career center systems shall include—

(1) common intake;

(2) preliminary assessment;

(3) integrated job search assistance;

(4) to the extent practicable, as determined by the Governor, unified and linked computer systems, including the availability of labor market information as described under title II of the Wagner-Peyser Act, as added by section 132 of this Act, and linkages through uniform management information systems; and

(5) to the extent practicable, as determined by the Governor, at least one physical, co-located site which provides comprehensive and fully integrated workforce development services to any individual seeking such services.

Local workforce development areas are encouraged to establish a network of comprehensive and fully-integrated co-located career centers to provide the services described in subsection (f), supplemented with multiple affiliated sites or satellites that provide one or more of such services and are linked through electronic and technological access points. Such affiliated sites may include entities designated as having a specialization in addressing special needs, such as the needs of individuals with disabilities.

(d) COMMON ACCESS.—Information pertaining to the labor market which is compiled pursuant to title II of the Wagner-Peyser Act, as added by section 132 of this Act, shall be available, to the extent practicable, through integrated electronic networks, at all integrated career centers and affiliated sites.

(e) ELIGIBILITY FOR DESIGNATION.—Any entity or consortium of entities located in the workforce development area may be designated by the local workforce development board to operate an integrated career center or to participate in an integrated career center system. Such entities may include the following:

(1) Institutions of higher education.

(2) Area vocational education schools.

(3) Local employment service offices, established under the Wagner-Peyser Act.

(4) Private nonprofit organizations, (including community-based organizations).

(5) Private for-profit entities.

(6) Agencies of local governments.

(7) Other interested organizations and entities of demonstrated effectiveness, including local chambers of commerce and other business organizations, consistent with State criteria established pursuant to subsection (b).

(f) DUTIES.—Each integrated career center system shall, to the extent practicable as determined by the Governor, carry out the following duties:

(1) PROVISION OF CORE SERVICES.—An integrated career center system shall make available the following information and core services to individuals on a universal and nondiscriminatory basis, with reasonable accommodations to address the needs of individuals with disabilities, in the workforce development area in which such center is located:

(A) Outreach and intake for services provided under chapter 2 of title II, title III, subtitle A of title IV, and title I of the Rehabilitation Act of 1973.

(B) A preliminary assessment of the skill levels and the need for services of the individual for programs under chapter 2 of title II, title III, subtitle A of title IV, and title I of the Rehabilitation Act of 1973 of individuals, which may include such factors as basic skills, occupational skills, career development skills, prior work experience, employability, interests, aptitudes, vocational rehabilitation needs, and supportive service needs.

(C) Labor market information relating to local and State, and if appropriate, to regional or national, occupations in demand and skill requirements for such occupations, including job listings for the local labor market.

(D) Information relating to youth services, including information on at-risk youth development and career preparation programs authorized under title II, on vocational education and school-to-work opportunities, and on youth apprenticeship opportunities.

(E) Career counseling and career planning based on a preliminary assessment of the individual.

(F) Job search assistance.

(G) Information related to vocational rehabilitation services, as provided for in title I of the Rehabilitation Act of 1973.

(H) Information relating to federally funded education and job training programs (including registered apprenticeships), and student aid programs, including the eligibility requirements of and services provided by such programs.

(I) Information on, and assistance in accessing referral to additional services through programs providing adult education and literacy services, vocational rehabilitation, youth and adult workforce preparation and development, and supportive services, including those programs authorized in titles II through IV, title I of the Rehabilitation Act of 1973, available in the workforce development area.

(J) Information on the extent to which the services provided under titles II and III, subtitle A of title IV, and title I of the Rehabilitation Act of 1973, meet or exceed the expected levels of performance described in the State and local plans, and the performance-based information provided by the State to local workforce development boards on certified providers of education and training, as required under section 108(d)(3).

(K) Acceptance of applications for unemployment compensation.

(L) Other appropriate activities to assist individuals into employment.

(2) DISTRIBUTION OF CAREER GRANTS.—A center or an affiliated site may serve as the point of distribution of career grants for education, training, and vocational rehabilitation services to eligible individuals in accordance with section 108.

(3) SPECIAL ARRANGEMENTS.—For the purpose of providing core services to individuals with severe disabilities in the most effective and efficient manner possible, the integrated career center system may arrange to have such core services provided to an individual by a certified provider or the State either on a contract basis or through the use of career grants.

(g) ADDITIONAL SERVICES.—Integrated career center systems, may provide customized workforce development services to employers on a fee-for-service basis, as determined by the local workforce development board.

(h) ALTERNATIVE STATE STRATEGY.—Through the collaborative process described in section 103, the Governor has the authority to develop alternative strategies to the integrated career center system, which are designed to accomplish the full integration of workforce development programs. These alternative strategies shall be described in a proposal to the Secretaries of Education and Labor for joint review and approval or disapproval not later than 60 days after the date of receipt of such proposal.

SEC. 108. IDENTIFICATION OF ELIGIBLE EDUCATION, TRAINING, AND VOCATIONAL REHABILITATION SERVICE PROVIDERS.

(a) ELIGIBILITY REQUIREMENTS.—A program offered by a provider of education and training services shall be eligible to receive funds under title III, and title I of the Rehabilitation Act of 1973 through the receipt of career grants, or through contract, if such program and provider—

(1) is either—

(A) eligible to participate in title IV of the Higher Education Act of 1965, or

(B) determined to be eligible under the procedures described in subsection (b); and

(2) provides the performance-based information required pursuant to subsection (c), except that providers eligible under subparagraph (A) only have to provide information for programs other than programs leading to a degree.

(b) ALTERNATIVE ELIGIBILITY PROCEDURE.—

(1) IN GENERAL.—The Governor shall establish an alternative eligibility procedure for providers of education, training, and vocational rehabilitation services (which may include private sector, for profit and nonprofit providers of such services) in any State desiring to receive funds under title III of this Act and title I of the Rehabilitation Act of 1973, but that are not eligible to participate in title IV of the Higher Education Act of 1965. Such procedure shall establish minimum acceptable levels of performance for such providers, and be based on guidelines developed by the Secretaries of Labor and Education. The Governor may utilize such criteria to certify service providers as having the ability to meet occupational skill standards promoted by the National Skill Standards Board, or to meet, high, industry-recognized standards that result in a portable skill certificate in the subject, occupation, or industry for which training is provided, except where such standards are not appropriate for the services rendered. The Governor shall utilize the local workforce development boards, for the identification of eligible qualified providers of education, training, and vocational rehabilitation services. During a transition period, not to exceed 2 years, identification of eligible programs and providers under this subsection may be based on the performance of such programs and providers under the Job Training Partnership Act, the Rehabilitation Act of 1973, or other objective measures of previous performance, such as employer evaluations.

(2) Notwithstanding paragraph (1), if the participation of an institution of higher education in any of the programs under such title of such Act is terminated, such institution shall not be eligible to receive funds under this Act for a period of not less than two years.

(c) PERFORMANCE-BASED INFORMATION.—The State shall identify performance-based information that is to be submitted by providers of services for programs to be eligible under this section. Such information may include information, relating to—

(1) the percentage of students completing the programs conducted by the provider;

(2) the rates of licensure of graduates of the programs conducted by the provider;

(3) the percentage of graduates of the programs meeting industry-recognized skill standards and certification requirements that are at least as challenging as skill standards endorsed by the National Skill Standards Board, once such standards are available.

(4) measures of program effectiveness such as the rates of placement and retention in employment, and the earnings of graduates of programs conducted by the provider, employer evaluations of provider services, and adherence to accepted industry quality standards (where available) by such providers;

(5) the percentage of students who obtained employment in an occupation related to the program conducted by the provider;

(6) the warranties or guarantees provided by such provider relating to the skill levels or employment to be attained by students;

(7) other information for providers of services under title I of the Rehabilitation Act of 1973 that reflects the priority of serving individuals with severe disabilities; and

(8) the percentage of students who, as a result of participation in the program demonstrate significant gains in literacy and basic skills.

(d) ADMINISTRATION.—

(1) STATE AGENCY.—The Governor is authorized to designate a State agency to collect, verify, and disseminate the performance-based information submitted pursuant to subsection (c).

(2) APPLICATION.—A provider of education and training services that desires to be eligible to receive funds under this title shall submit the information required under subsection (c) to the State agency designated under paragraph (1) of this subsection at such time and in such form as such State agency may require.

(3) LIST OF ELIGIBLE PROVIDERS.—The State agency shall compile a list of eligible programs and providers, accompanied by the performance-based information submitted, and disseminate such list and information to the local workforce development boards and integrated career center systems within the State.

(4) ACCURACY OF INFORMATION.—

(A) IN GENERAL.—If the State agency determines that information concerning a provider is inaccurate, such provider shall be disqualified from receiving funds under this title for a period of not less than two years, unless such provider can demonstrate to the satisfaction of the Governor or his or her designee, that the information was provided in good faith.

(B) APPEAL.—The Governor shall establish a procedure for a service provider to appeal a determination by a State agency that results in a disqualification under subparagraph (A). Such procedure shall provide an opportunity for a hearing and prescribe appropriate time limits to ensure prompt resolution of the appeal.

(5) ASSISTANCE IN DEVELOPING INFORMATION.—The State agency established pursuant to paragraph (1) may provide technical assistance to education, training, and vocational rehabilitation providers in developing the information required under subsection (b). Such assistance may include facilitating the utilization of State administrative records, such as unemployment compensation wage records, and other appropriate coordination activities.

(e) ON-THE-JOB TRAINING EXCEPTION.—

(1) IN GENERAL.—Providers of on-the-job training are not subject to the requirements of subsections (a), (b), (c), and (d).

(2) COLLECTION AND DISSEMINATION OF INFORMATION.—The Workforce Development Board shall collect such performance-based information from on-the-job training providers as the Governor may require, and disseminate such information to the local integrated career center systems.

(f) RULE OF CONSTRUCTION REGARDING STATE AS PROVIDER OF SERVICES.—This section does not prohibit a State from being a provider of education and training services under title III, or under title I of the Rehabilitation Act of 1973, subject to the State meeting the requirements of this section for serving as such a provider.

SEC. 109. MANAGEMENT INFORMATION SYSTEMS.

(a) IN GENERAL.—Each State is authorized to use a portion of the funds it receives under this Act to design a unified management information system that is in accordance with guidelines established jointly by the Secretaries in consultation with the Governors.

(b) REQUIREMENTS.—Each unified management information system shall, to the extent practicable as determined by the Governor—

(1) be utilized for federally required fiscal reporting and monitoring for each of the programs authorized under this Act;

(2) be used by all agencies involved in workforce development activities, including integrated career center systems which shall have the capability to track the overall public investments within the State and workforce development areas, and to inform policymakers as to the results being achieved and the demographic characteristics of the individuals served through that investment;

(3) contain a common structure of financial reporting requirements, fiscal systems and monitoring for all workforce development expenditures included in the workforce development system that shall utilize common data elements and the definitions included in section 5;

(4) support local efforts to establish workforce development systems, including intake and eligibility determination for all services; and

(5) contain data on the demographic characteristics on the participants served by programs authorized under this Act, which shall be collected, produced, and published by the Secretaries.

(c) PRIVACY.—Nothing in this Act shall violate the provisions of the Family Education Rights and Privacy Act under section 444 of the General Education Provisions Act and the privacy and confidentiality provisions under section 22(b) of title II of the Wagner Peyser Act as amended by this Act.

SEC. 110. PERFORMANCE ACCOUNTABILITY SYSTEM.

(a) IN GENERAL.—In order to promote high levels of performance and to ensure an appropriate return on the Nation's investment in the workforce development and literacy system, each State receiving funds under this Act shall develop, or have developed, a statewide performance accountability system in accordance with the provisions of this section.

(b) INDICATORS OF PERFORMANCE.—

(1) IN GENERAL.—Each State receiving funds under this Act shall identify indicators of performance for each of the programs established under titles II through IV of this Act and title I of the Rehabilitation Act of 1973, consistent with State goals as described in the State plan in accordance with section 104. Such indicators shall, at a minimum, include the core indicators described in subsection (f), and be expressed in an objective, quantifiable, and measurable form. Such indicators may also include post-program surveys measuring customer satisfaction of both employers and program participants.

(2) TECHNICAL DEFINITIONS OF CORE INDICATORS.—In order to ensure nationwide comparability of performance data, the Secretary of Labor and the Secretary of Education, in collaboration with the States and with representatives of business and industry, employees, educational agencies, service providers, participants, parents and other interested parties, shall promulgate technical definitions of each of the core indicators described in subsection (f), to be used under this Act in measuring performance.

(c) EXPECTED LEVELS OF PERFORMANCE.—

(1) IN GENERAL.—(A) Each State shall identify the level of performance, consistent with State goals described under section 104, that is expected for local workforce development areas and other applicable local administrative entities under this Act. In determining such levels, the State shall take into account the challenging levels identified under paragraph (2), and initially develop baseline levels of performance upon which the State will measure continuous improvement.

(B) The Governor, through the collaborative process, may adjust the expected level of performance with respect to each local area taking into account specific economic, demographic, and geographic factors, and the characteristics of the population to be served.

(2) CHALLENGING LEVELS OF PERFORMANCE.—In order to encourage high levels of performance and advance the Nation's competitiveness in the global economy, the Secretary of Labor and the Secretary of Education, in collaboration with the States and with representatives of business and industry, employees, educational agencies, service providers, participants, parents and other interested parties, shall identify challenging levels of performance with respect to appropriate core indicators selected from among the core indicators described in subsection (f). Where applicable, such challenging levels of performance shall reflect industry-recognized skill standards.

(d) REPORT ON PERFORMANCE.—

(1) IN GENERAL.—The State shall report to the Secretary of Labor and the Secretary of Education, the levels of performance achieved by local workforce development areas and other applicable local administrative entities with respect to the indicators identified pursuant to subsection (b)(1) for each program year. The Secretaries shall make such information available to the general public through publication and other appropriate methods, and shall disseminate State-by-State comparisons, and comparisons with other industrialized nations (where appropriate).

(2) REPORTING OPTIONS.—In the collection and reporting of such data, States are encouraged to utilize administrative reporting data on quarterly earnings, establishment and industry affiliation, and geographic location of employment, such as unemployment insurance wage-data records.

(e) CONSEQUENCES FOR POOR PERFORMANCE.—

(1) CRITERIA.—The Governor, through the collaborative process, is authorized to establish criteria for determining whether local workforce development areas and other applicable local administrative entities have failed to meet expected levels of performance with respect to programs under this Act.

(2) CONSEQUENCES FOR POOR PERFORMANCE.—

(A) STATE CONSEQUENCES.—If a State fails to meet expected levels of performance for a program for any program year as established pursuant to subsection (a), the Secretary of Education or the Secretary of Labor, as appropriate to the particular program, may provide technical assistance, including assistance in the development of a performance improvement plan. If such failure continues for a second consecutive year, the appropriate Secretary may reduce by not more than 5 percent, the amount of the grant that would (in the absence of this paragraph) be payable to the State under such program for the immediately succeeding program year. Such penalty shall be based on the degree of failure to meet expected levels of performance.

(B) LOCAL CONSEQUENCES.—(i) If a local workforce development area, or other applicable local administrative entity, fails to meet expected levels of performance for a program for any program year under the criteria established in paragraph (1), the Governor, through the collaborative process, may provide technical assistance, including the development of a performance improvement plan.

(ii) If such failure continues for a second consecutive year, the Governor may take corrective actions, such as the withholding of funds, the redesignation of a local administrative entity, or such other actions as the Governor, through the collaborative process, determines are appropriate, consistent with State law, section 104(c)(3) of this Act, and the requirements of this Act.

(f) CORE INDICATORS OF PERFORMANCE.—

(1) COMMON CORE INDICATORS FOR ADULTS.—In addition to the core indicators of performance described in paragraph (2), common

core indicators of performance for programs conducted under titles III and IV of this Act, and under title I of the Vocational Rehabilitation Act of 1973 shall be weighted and applied to each of the individual programs, according to the purposes of such titles, and include measures of—

(A) placement in unsubsidized employment;

(B) retention in unsubsidized employment for not less than 6 months and for not less than 12 months, respectively;

(C) increases in earnings, or in earnings in combination with employer-assisted benefits;

(D) attainment of industry-recognized occupational skills, including basic workplace competencies and industry-recognized skill standards, which may include the acquisition of a skill certificate in the occupation for which the individual has been prepared;

(E) attainment of a high school diploma, a general equivalency diploma, or a certificate of completion of a program authorized under the Rehabilitation Act of 1973; and

(F) such other measures of performance that the State may wish to collect.

(2) ADDITIONAL CORE INDICATORS FOR ADULTS.—

(A) ADULT EMPLOYMENT AND TRAINING PROGRAMS.—In addition to the common core indicators described in paragraph (1), the core indicators of performance for programs conducted under title III shall include measures of the success of individuals with barriers to employment, including dislocated workers, economically disadvantaged individuals, older workers, individuals with disabilities, displaced homemakers, veterans, and individuals who are basic skills deficient, in achieving performance goals established pursuant to this Act.

(B) ADULT EDUCATION AND FAMILY LITERACY PROGRAMS.—In addition to the common core indicators described in paragraph (1), the core indicators of performance for programs conducted under title IV shall include measures of—

(i) the number of individuals who, as a result of participation in programs funded under this Act, demonstrate significant gains in literacy skills; and

(ii) such other measures of performance that the State may wish to collect, including measures of the success of family literacy programs, increased English language skills, and increased community involvement.

(C) PROGRAMS ESTABLISHED UNDER TITLE I OF THE REHABILITATION ACT OF 1973.—In addition to the common core indicators described in paragraph (1), the core indicators of performance for programs conducted under title I of the Rehabilitation Act of 1973 shall include measures of the success of individuals with severe disabilities, including those individuals determined to have a disability under title II or title XVI of the Social Security Act, in achieving performance goals established pursuant to this Act.

(3) CORE INDICATORS FOR YOUTH DEVELOPMENT AND CAREER PREPARATION PROGRAMS.—The core indicators of performance for programs conducted under title II shall include measures of—

(A) attainment of challenging State academic standards;

(B) attainment of a high school diploma or a general equivalency diploma;

(C) attainment of industry-recognized occupational skills, including basic workplace competencies and industry-recognized skill standards, which may include the acquisition of a skill certificate in the occupation for which the individual has been prepared; if such skill certificate is acquired in addition to or in combination with a high shool diploma or general equivalency diploma;

(D) reduction in school dropout rates;

(E) positive results such as placement in postsecondary education or advanced training, military service, employment, or registered apprenticeships;

(F) the success of individuals described under section 201(12) in achieving performance goals established pursuant to this Act, including placement in nontraditional training and employment; and

(G) such other measures of performance that the State may wish to collect.

SEC. 111. LIMITATION ON FEDERAL REGULATIONS.

The Secretary of the Department of Labor and the Secretary of the Department of Education shall issue regulations under this Act only to the extent that such regulations are necessary to ensure that there is compliance with the specific requirements of this Act.

SEC. 112. GENERAL PROVISION.

Nothing in this Act shall mandate that any individual, particularly youth served under title II of this Act, be required to choose a specific career path or major.

SEC. 113. LIABILITY.

Expenditures that are disallowed (except in the case of fraud, embezzlement, or other criminal activities) under this Act or under title I of the Rehabilitation Act of 1973, may be repaid from funds allocated under the title for which such disallowance occurs, in subsequent program years or fiscal years, as appropriate, after the year in which such disallowance occured. The amount of funds repaid should be equal to the amount of funds disallowed.

Subtitle B—Amendments to Wagner-Peyser Act

SEC. 131. GENERAL PROGRAM REQUIREMENTS.

(a) DEFINITIONS.—Section 2 of the Act of June 6, 1933 (commonly known as the ''Wagner-Peyser Act'') (29 U.S.C. 49a) is amended—

(1) in paragraph (1), by striking ''Job Training Partnership Act'' and inserting ''Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act'';

(2) in paragraph (2) to read as follows:

''(2) the term 'local workforce development board' means a local workforce development board established under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act;'';

(3) in paragraph (4) to read as follows:

''(4) the term 'local workforce development area' means a local workforce development area established under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act;'';

(4) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(5) by adding at the end the following new paragraphs:

''(6) the term 'public employment office' means an office which provides employment services to the general public as part of an integrated career center system; and

''(7) the term 'integrated career center system' means an integrated career center system established under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.''.

(b) DUTIES.—Section 3(a) of such Act (29 U.S.C. 49b(a)) is amended to read as follows:

''(a) The Secretary of Labor shall, pursuant to title II of this Act—

''(1) assist in the coordination and development of a nationwide system of labor exchange services for the general public;

''(2) assist in the development of performance standards, benchmarks, and continuous improvement models for such nationwide system which ensures private sector satisfaction and meets the demands of jobseekers; and

''(3) ensure the continued services for individuals receiving unemployment compensation.''.

(c) REQUIREMENTS FOR RECEIPT OF FUNDS.—Section 4 of such Act (29 U.S.C. 49c) is amended by striking ''a State shall, through its legislature'' and inserting ''the Governor of a State shall, through the collaborative process described in title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act''.

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 5 of such Act (29 U.S.C. 49d) is amended by inserting before the period at the end the following: '', of which not less than 25 percent shall be for carrying out both section 14 and title II of this Act''.

(e) USE OF FUNDS UNDER THIS ACT.—Section 7(c)(2) of such Act (29 U.S.C. 49f(c)(2)) is amended by striking ''any of the following provisions of law'' and all that follows and inserting ''the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.''.

(f) STATE PLAN.—Section 8 of such Act (29 U.S.C. 49g) is amended—

(1) in subsection (a) to read as follows:

''(a) Any State desiring to receive assistance under this Act shall submit to the Secretary, as part of the State workforce development and literacy plan authorized under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, detailed plans for carrying out the provisions of this Act within such State.'';

(2) by striking subsections (b), (c), and (e); and

(3) by redesignating subsection (d) as subsection (b).

(g) ELIMINATION OF FEDERAL ADVISORY COUNCIL.—Section 11 of such Act (29 U.S.C. 49j) is hereby repealed.

(h) CONFORMING AMENDMENTS.—

(1) Such Act is amended by inserting after section 2 the following new heading:

''TITLE I—GENERAL PROGRAM REQUIREMENTS''.

(2) Section 4 of such Act is amended by striking ''United States Employment Service'' and inserting ''Secretary of Labor''.

(3) Section 7(b)(2) of such Act is amended by striking ''private industry council'' and inserting ''local workforce development board''.

(4) Section 7(d) of such Act is amended—

(A) by striking ''United States Employment Service'' and inserting ''Secretary of Labor''; and

(B) by striking ''Job Training Partnership Act'' and inserting ''Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act''.

(5) Section 12 of such Act is amended by striking ''The Director, with the approval of the Secretary of Labor,'' and inserting ''The Secretary of Labor''.

SEC. 132. LABOR MARKET INFORMATION.

The Act of June 6, 1933 (commonly known as the ''Wagner-Peyser Act''; 29 U.S.C. 49), as amended by section 131, is further amended by adding at the end the following new title:

''TITLE II—LABOR MARKET INFORMATION

''SEC. 21. PURPOSE.

''The purpose of this title is to ensure a comprehensive and coordinated system of labor market information which will provide locally based, accurate, up-to-date, easily accessible, and user friendly labor market information through a cooperative Federal, State, and local governance structure which includes partnerships with the private sector at all levels.

''SEC. 22. SYSTEM CONTENT.

''(a) IN GENERAL.—The Secretary of Labor, in accordance with the provisions of this

title, shall oversee the development, maintenance, and continuous improvement of a nationwide system of labor market information using statistically valid data, which include—

''(1) statistical data from survey and projection programs and data from administrative reporting systems, which, taken together, enumerate, estimate, and project the supply and demand for labor at Federal, State, and local levels in a timely manner, including data on—

''(A) the demographic characteristics, as defined in section 5 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, socioeconomic characteristics, and current employment status of the population, including self-employed, part-time, and seasonal workers, and individuals with severe disabilities, as such data are available from the Bureau of Census and other sources;

''(B) job vacancies, education and training requirements, skills, wages, benefits, working conditions, and industrial distribution of occupations, as well as current and projected employment opportunities and trends by industry and occupation;

''(C) the educational attainment, training, skills, skill levels, and occupations of the population aggregates, as such data area are available from the Bureau of Census and other sources;

''(D) information (such as unemployment insurance wage data records) maintained in a longitudinal manner on the quarterly earnings, establishment and industry affiliation, and geographic location of employment; and

''(E) the incidence, industrial and geographical location, and number of workers displaced by permanent layoffs and plant closings;

''(2) State and local employment and consumer information on—

''(A) job openings, locations, hiring requirements, and application procedures, as well as profiles of employers in the local labor market describing the nature of work performed, employment requirements, wages, benefits, and hiring patterns as such information is volunteered by employers;

''(B) aggregate data on job seekers, including their education and training, skills, skill levels, employment experience, and employment goals; and

''(C) education courses, training programs, job placement programs, and vocational rehabilitation programs (where appropriate), including—

''(i) program performance information as required by this Act, such as summary data on program completion, acquisition of industry-recognized skill standards, job placement, earnings, and the level of satisfaction of the participants and their employers; and

''(ii) descriptive information on programs, such as eligibility requirements, costs, financial support, or other supportive services, and other appropriate information which may be available with these courses and programs;

''(3) technical standards for data and information that will—

''(A) as a minimum guarantor of data usefulness and quality, ensure compatibility and additivity of data and information to enable comparisons among localities and States;

''(B) support standardization and aggregation of data and information from the administrative reporting systems of employment-related programs; and

''(C) include—

''(i) classification and coding systems for industries, occupations, skills, programs, and courses;

''(ii) nationally standardized definitions of terms;

''(iii) a common system for designating geographic areas;

''(iv) quality control mechanisms for data collection and analysis; and

''(v) common schedules for data collection and dissemination;

''(4) analysis of data and information for uses including—

''(A) Federal, State, and local economic policymaking;

''(B) the implementation of Federal policies, including the allocation of Federal funds to States and localities and the facilitation of job search and hiring in local labor markets;

''(C) Federal, State, and local program planning and evaluation; and

''(D) research on labor market dynamics;

''(5) dissemination mechanisms for data and analysis, including mechanisms which may be standardized among the States and technical standards in the design of automated databases, and the design of user interfaces and communications protocols;

''(6) programs of technical assistance for States and localities in the development, maintenance, and utilization of data, analysis, and dissemination mechanisms, including assistance in adopting and utilizing automated systems and improving the access, through electronic and other means, of youth, adults, and employers to labor market information for localities, States, and the Nation;

''(7) programs of research and demonstration, which may be carried out by States and other public or private entities, on ways to improve the products and processes authorized in this title; and

''(8) objective performance measures, which will allow for the continuous monitoring of the progress of the labor market information system at national, State, and local levels.

(b) INFORMATION TO BE CONFIDENTIAL.—

(1) IN GENERAL.—No officer or employee of the Federal Government or agent of the Federal Government may:

(A) use the information furnished under the provisions of this title for any purpose other than the statistical purposes for which it is supplied;

(B) make any publication whereby the data furnished by any particular establishment or individual under this title can be individually identified; or

(C) permit anyone other than the sworn officers and employees of any Federal department or agency to examine the individual reports.

(2) IMMUNITY FROM LEGAL PROCESS.—Any information which is collected and retained under this title shall be immune from the legal process and shall not, without the consent of the individual or establishment concerned, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

''SEC. 23. FEDERAL RESPONSIBILITIES.

''(a) IN GENERAL.—The Nation's labor market information system shall be planned, administered, overseen, and evaluated by a cooperative governance structure involving the Federal Government, States, and local entities.

''(b) DUTIES.—The Secretary, with respect to data collection, analysis, and dissemination of labor market information, shall carry out the following duties:

''(1) Ensure that all statistical and administrative data collection activities within the Department of Labor, including the Employment and Training Administration, Veterans' Employment and Training Service, Employment Standards Administration, and the Occupational Health and Safety Administration, are consistent with those of the Bureau of Labor Statistics.

''(2) Assign responsibilities, as appropriate, to agencies such as the Employment and Training Administration to work with the Bureau of Labor Statistics in the collection, analysis and, particularly, in the dissemination of labor market information, and in the provision of training and technical assistance to users of information, including the States, employers, youth, and adults.

''(3) In cooperation with other Federal agencies, including the Department of Commerce, Department of Defense, Department of the Treasury, Department of Education, Department of Health and Human Services, Department of Agriculture, Department of Veterans' Affairs, and the Office of Management and Budget, establish and maintain mechanisms for ensuring complementarity and nonduplication in the development and operation of statistical and administrative data collection activities, in order to ensure a comprehensive labor market information system.

''(4) Actively seek the participation of other Federal agencies, particularly the National Center for Education Statistics and the Division of Adult and Vocational Education, and the Rehabilitation Services Administration of the Department of Education, the Veterans' Employment and Training Service of the Department of Labor and the Department of Veterans' Affairs with respect to vocational rehabilitation programs in the design and provision of standardized information to the States to support section 22(2), and in the dissemination of labor market information.

''(5) Establish confidentiality standards for the labor market information system at Federal, State, and local levels, including such provisions as may be necessary, to be taken in coordination with the States, to ensure that privacy and confidentiality protections are guaranteed with respect to individuals and firm data.

''(c) ADDITIONAL DUTIES.—The Secretary, in collaboration with the Bureau of Labor Statistics, with the assistance of other agencies of the Department where appropriate, shall—

''(1) establish and maintain, with the cooperation of the States, elements of the system described in sections 22(a)(1) and 22(a)(3);

''(2) develop and promulgate standards, definitions, formats, collection methodologies, and other necessary system elements for the use of the States in their assembling and presentation of the employment information specified in section 22(a)(2);

''(3) eliminate gaps and duplication in statistical undertakings, with the systemization of wage surveys as an early priority;

''(4) recommend any needed improvements in administrative reporting systems to support the development of labor market information from their data; and

''(5) ensure that—

''(A) data are sufficiently timely relevant to employers and other users, and locally detailed for uses including those specified in section 22(a)(4);

''(B) administrative records are standardized to facilitate the aggregation of data from local to State and national levels and to support the creation of new statistical series from program records; and

''(C) paperwork and reporting requirements on employers and individuals are reduced.

''SEC. 24. ANNUAL PLAN.

''(a) IN GENERAL.—The Secretary of Labor, in collaboration with the Bureau of Labor Statistics, and with assistance of other appropriate Federal agencies, shall prepare an annual plan to be the operational mechanism for achieving a cooperative Federal/State governance structure for labor market information and provide the written justification

for the Department of Labor's budget request to Congress by describing the activities and priorities of the Bureau of Labor Statistics, other offices within the Department of Labor, and other Federal agencies with regard to data collection, analysis, and dissemination of labor market information for fiscal years succeeding the fiscal year in which the plan is developed and shall include—

''(1) the results of a periodic review of users' needs and priorities, including the identification of new employment issues and the attendant emergence of new needs, on the part of Congress, the States, employers, youth, and adults, for data, analysis, and dissemination;

''(2) an evaluation, including the results of objective measures, of the performance of the labor market information system in meeting these needs and the steps to be taken to overcome deficiencies;

''(3) a summary of ongoing data programs and activities under section 22 and a description of the development of new data programs, analytical techniques, definitions and standards, dissemination mechanisms, training and technical assistance, governance mechanisms, and funding processes to meet new needs; and

''(4) the results of an annual review of the costs to the States of meeting contract requirements for data production under this title, including a description of how the Secretary's requested budget will cover these costs.

''(b) COOPERATION WITH THE STATES.—The Secretary and the Bureau of Labor Statistics, in cooperation with the States, shall develop the plan by—

''(1) establishing procedures and mechanisms for holding formal and periodic consultations on products and administration of the system, at least once each quarter, with representatives of employers as well as with representatives of the States from each of the 10 Federal regions of the Department of Labor, elected by and from among the State directors of labor market information, according to a process set forth by the Secretary; and

''(2) incorporating in the annual plan, for its submission to Congress, the results of these consultations, including any supplementary or dissenting views from representatives of the States.

''(c) REPRESENTATIVES OF STATES DEEMED TO BE FEDERAL EMPLOYEES.—For purposes of the development of the annual plan and to meet the provisions of Office of Management and Budget Circular A–11, the representatives of the States, elected in accordance with subsection (b)(1), shall be considered to be employees of the Department of Labor.

''SEC. 25. GOVERNOR'S RESPONSIBILITIES.

''(a) DESIGNATION OF STATE AGENCY.—The Governor of each State shall designate a single State agency to be the agency responsible for the management and oversight of a statewide comprehensive labor market information system and for the State's participation in the cooperative Federal/State governance structure for the nationwide labor market information system.

''(b) DUTIES.—In order to receive Federal financial assistance under this Act, the State agency shall—

''(1) develop, maintain, and continuously improve a comprehensive labor market information system, which shall—

''(A) include all the elements specified in section 22; and

''(B) be responsive to the needs of the State and its localities for planning and evaluative data, including employment and economic analyses and projections, as required by this Act, the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, the Social Security Act, and other provisions of law which require the use of labor market information;

''(2) ensure the performance of contract and grant responsibilities for data collection, analysis, and dissemination;

''(3) conduct such other data collection, analysis, and dissemination activities as will ensure comprehensive State and local labor market information;

''(4) actively seek the participation of other State and local agencies, with particular attention to State education, economic development, human services, and welfare agencies, in data collection, analysis, and dissemination activities in order to ensure complementarity and compatibility among data; and

''(5) participate in the development of the national annual plan.''.

Subtitle C—General Provision

SEC. 141. WORKER RIGHTS.

The following requirements shall apply to programs under titles II and III of this Act:

(1) PROHIBITION ON DISPLACEMENT.—A participant in a program under titles II or III shall not displace any currently employed worker (including a partial displacement, such as a reduction in the hours of non-overtime work, wages, or employment benefits).

(2) PROHIBITION ON IMPAIRMENT OF CONTRACTS.—A program under title II or III shall not impair existing contracts for services or collective bargaining agreements, and no such program that would be inconsistent with the terms of a collective bargaining agreement shall be undertaken without the written concurrence of the labor organization and employer concerned.

(3) PROHIBITION ON REPLACEMENT.—A participant in a program under title II or III shall not be employed—

(A) when any other individual is on temporary layoff, with the clear possibility of recall, from the same or any substantially equivalent job with the participating employer; or

(B) when the employer has terminated the employment of any regular employee or otherwise reduced the workforce of the employer with the intention of filling the vacancy so created with the student.

(4) WORKPLACES.—A participant in a program under title II or III shall be provided with adequate and safe equipment and safe and healthful workplaces in conformity with all health and safety requirements of Federal, State, and local law.

(5) EFFECT ON OTHER LAWS.—Nothing in this Act shall be construed to modify or affect any Federal or State law prohibiting discrimination on the basis of race, religion, color, ethnicity, national origin, gender, age, or disability, or to modify or affect any right to enforcement of this Act that may exist under other Federal laws, except as expressly provided by this Act.

SEC. 142. TRANSFERABILITY.

The Governor, through the collaborative process, has the authority to transfer not more than 10 percent of the total allotment to a State under title II or title III of this Act, between such titles. Funds transferred under this authority must be distributed to local providers in accordance with the provisions of title II and III of this Act.

The CHAIRMAN. Are there any amendments to title I?

AMENDMENT OFFERED BY MR. KILDEE

Mr. KILDEE. Mr. Chairman, I offer an amendment.

The SPEAKER. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. KILDEE: H.R. 1617: Page 91, strike lines 12 through 18.

Mr. KILDEE. Mr. Chairman, I am offering this amendment with my colleague, the gentleman from Montana [Mr. WILLIAMS]. This amendment would strike six lines in the bill which were added after the bill was reported from committee. That provision would allow transfer of 10 percent of funding from the youth block grant to the adult training block or vice versa. This provision would never have been approved in committee because it would completely undermine the ability of local communities to plan for the rational and effective use of limited education and work force preparation dollars.

When we set up these block grants, Mr. Chairman, we engaged in a productive debate about how to design an integrated, high performance career preparation and education system. In the face of 20 percent cuts in the authorization level, and over $2 billion in job training and education funds, this represents a very real threat to the stability of the system.

The greatest threat this poses is to local schools, your local schools. We all know that it is going to be next to impossible, Mr. Chairman, for States to meet the very stringent work requirements of the emerging welfare compromise.

Now, for Governors who are trying to avoid the penalties of failure to meet those targets, this new provision, which was not discussed in committee, will provide an irresistible source of funds for Governors. Our schools will be left holding the bag as Governors pull that 10 percent, from the schools transfer the funds to the adult training block to meet those emerging work requirements in welfare. So our schools again will be left holding the bag and the uncomfortable choice of raising local property taxes or new school levies.

Mr. Chairman, I would support this provision, if it contained the stipulation that the Governor certify that all needs under the title from which the funds are being transferred have been met. But that is not part of the provision. Otherwise this provision will seriously, I think, threaten the school-based part of vocational education by tempting the Governors to reach into the schools to pull more money toward those work requirements in the welfare bill.

So, I urge my colleagues to support this amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. MCKEON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan [Mr. KILDEE]. I realize that it did pass out of committee without this change, but we have had the Governors and others have come to us with requests, and in trying to reach down, trying to push the money down to the local communities, it seems that this is a worthwhile thing to give them, 10 percent of

leeway between the two. Out of 100 percent of money, Mr. Chairman, we are only giving them 10 percent of leeway, and I think the Governors have every bit as much compassion on the local level as we do. There was language that this gives the States the flexibility to use the funds where there is the greatest need, but it does protect the basic four-grants structure of the bill. It gives the funds locally and ensures that the Federal dollars will reach the people and not the bureaucrats.

Some might argue and see this provision as the glass is half-empty, but I think that it is half-full in giving the local people more jurisdiction. The language provides a voice for local people. They can lobby their State legislators for funding, and their Governor. We are moving the decision-making out of Washington into the States, into the States and localities, and I think the whole premise of the bill is to drive decision-making down locally, however we do retain 10 percent of the decision here in Washington.

So, I think this is just a good compromise that we have been able to work out.

Mr. KILDEE. Mr. Chairman, will the gentleman yield?

Mr. MCKEON. I yield to the gentleman from Michigan.

Mr. KILDEE. Two things that bother me:

First of all, schools have to plan. As my colleague knows, that is why we generally have education forward funded. The schools have to plan, and with the schools never knowing for sure whether the Governor may reach in and pull 10 percent of those funds out does not really make for good planning.

Would the gentleman be willing to put it some language saying that the Governor must certify that all needs under the block have been met before any funds are transferred.

Mr. MCKEON. Mr. Chairman, reclaiming my time, I served on a school board for 9 years. I understand what the gentleman is saying about planning, and it is a problem, but it is something that school boards live with all the time.

I know while I served on the school board the State would pass our budget and it would come down, the fiscal year was started in July, and throughout the whole year we were subject at any time to recall of some of those funds. They have that problem now that they live with, and this would be a small portion of the funds that they receive.

Mr. KILDEE. Mr. Chairman, if the gentleman will continue to yield, I have two sons in the military, so I would not want this to happen. But we would never say the President could transfer 10 percent of the funds from the Pentagon to some other program here, because the Pentagon has to plan also, and schools have to plan just like the Pentagon.

We would never be able to successfully have an amendment here on the floor allowing the President of the United States to transfer 10 percent of some Pentagon funds to another agency. Why do we do this to schools?

Mr. MCKEON. Mr. Chairman, reclaiming my time, the schools, as they are now operating in the real world, never plan to spend 100 percent.

Mr. KILDEE. The Pentagon is in the real world, I would hope. My two sons are lieutenants in the Army.

Mr. MCKEON. School boards never plan to spend their whole 100 percent because they understand how this process works, and they always leave a contingency there, and I think that is good sound planning. I think they would continue to do that on this basis.

Mr. KILDEE. Well, I am just wondering why we always make schools have bake sales to make up the difference. We always let people raid school funds and not other areas of government.

Mr. MCKEON. This is not just schools, it could be just the opposite. It could be 10 percent from those out of schools. It could mean more money for schools.

Mr. KILDEE. It could.

Mr. MCKEON. So, really, what we are looking at is we have 50 Governors over the 50 States, we have the State legislatures, who are very close to the people in their local States, their local communities, and we are just trying to give them a little discretion out of all this money that we are giving them. I think that this is reasonable.

Mr. KILDEE. Mr. Chairman, if the gentleman will continue to yield, I read the amendment. I know it could flow from title II to title III and vice versa. But in this environment which are we are in right now, while we are changing welfare as we know it, and we are putting increased pressure on getting into the work force, which I agree with, the pressure is going to be on pulling money from schools to the adult part. That is the way the money will flow in the next few years.

Mr. GUNDERSON. Mr. Chairman, I move to strike the requisite number of words.

(Mr. GUNDERSON asked and was given permission to revise and extend his remarks.)

Mr. GUNDERSON. Mr. Chairman, I rise in strong opposition to this amendment and encourage my colleagues to understand what we are talking about here. First and foremost we are talking about flexibility. That is the foundation of the whole bill.

Second, let us understand that we are recognizing that we are making cuts, cuts the gentleman from Michigan and I might not necessarily like, but the reality of deficit reduction means we are going to be making cuts. That means States and locals are going to have to make priorities.

Mr. Chairman, I will tell Members that the job training realities in Michigan are different than the job training realities in Wisconsin, and different than the job training realities in California, and different than the job training realities in Pennsylvania. What does that mean? That may mean in a unique situation there is some State that wants to take money out of the youth training and put it in the adult training. I am willing to venture that the bulk of the transfer of moneys, however, will be from adult training into the youth training. It will be into the schools. This money can go either way. There is not a prohibition that says it can only go in one direction.

Mr. Chairman, let us assume the worst case scenario. Let us assume the worst case scenario, that every Governor in every State decides to transfer 10 percent of the funds from one program to another nationwide. We are talking about the maximum amount of every Governor transferring is $200 million. That is the maximum number, based on the authorization not on the appropriation level. If we look at what the appropriation bills are doing in this area, it will be less than that.

I think we should understand here what we are trying to do. We are trying to recognize that we are going to have to allow some flexibility and some creativity in each State. We should take a look at the programs in the adult area and we will find that most of those programs in the adult area, most of the funding is in dislocated worker assistance or in adult training programs as we know them. Job Training Partnership Act. Let us assume a State like Wisconsin. We have a very good economy right now. I have little doubt what our Governor is going to do. Our Governor, who is committed to some of these transition programs for youth, I have little doubt that what he will do is take some of hat money that we would get under the adult training side and literally put it into the schools, because it would make sense from a Wisconsin Governor's perspective to do just that.

Mr. Chairman, I would encourage my colleagues to recognize flexibility goes both ways, and, most likely, when we look at the programs there in each area, especially when we are dealing with equal funding, the number of programs in the youth training program is 2.9, the number of programs that are in the adult training is 2.7. We are not robbing Peter to pay Paul. Here they are both starting on equal funding, and we are saying to the Governors we are going to recognize your desire for some flexibility in this area.

This is not going to be disastrous on either side. It is going to provide some flexibility, and, from that perspective, I would encourage my colleagues to reject the amendment and live with the base bill.

Mr. OWENS. Mr. Chairman, I move to strike the requisite number of words.

(Mr. OWENS asked and was given permission to revise and extend his remarks.)

Mr. OWENS. Mr. Chairman, I rise in support of the amendment, and I would like to speak briefly about two aspects

of this problem. One is, education is being cut drastically. Education is being cut by almost $4 billion. Federal aid to education. Those are not the only cuts in education. They are cutting education at the State levels and cutting education at the city levels. Education for children in school.

Mr. GUNDERSON. Mr. Chairman, will the gentleman yield?

Mr. OWENS. I yield to the gentleman from Wisconsin.

Mr. GUNDERSON. Mr. Chairman, I appreciate the gentleman yielding because that is the whole purpose. I was one of the Republicans who voted against the appropriations bill. I agree with the gentleman that we have cut education too much, but the bill we have in front of us will allow those Governors to transfer some money from those adult programs into the very education programs that the gentleman thinks have been cut too much.

Mr. OWENS. Mr. Chairman, reclaiming my time, I thank the gentleman for his observation, but what I am speaking of, has the gentleman seen these values that liquid can flow one way but it cannot flow back? We need a valve where they can transfer money into the school systems and not out of it. If we can get transfer that way, that is the most appropriate transfer, because the bleeding is taking place in the public school systems, in the systems that serve children.

That is where the tremendous lacerations have been made by this Republican controlled Congress; $4 billion, almost, is being lost, and now we are jeopardizing just another $200 million we say might be transferred. But every bit counts.

Mr. Chairman, there are some school systems, like the one that serves my constituents in New York City that started out with a negative: 8,000 high school children and no seats to put them in. There is no hope on the horizon for getting funds for new buildings. At the elementary school level they do not have money for chalk and erasers. So we are in a desperate situation here, and it will not be made better by the cuts they are going to face next fall.

They think things are bad this fall, wait until the Republican cuts go into effect next fall. And $1.1 billion is being cut out of title I. That is one-seventh of the title I funds. That means one-seventh of the money flowing into the New York City schools will be cut from the title I program. That is no small amount of money.

So, Mr. Chairman, we have a problem in terms of education, which we need so drastically. It is on the losing end. Never before have we had such drastic cuts in Federal aid to education. But that does not tell the whole story. The Federal Government is setting the tone for what is happening at the State and local levels. So there are cuts all around.

The other thing we must consider is the fact that this myth that has been perpetrated this year is totally inaccurate. The myth that State and local governments are superior to the Federal Government in terms of incorruptibility, in terms of competence, in terms of efficiency. That is a myth that has been generated this year. There is nothing in history to support that myth. There is nothing in the clippings of our local newspapers that will support that myth.

Mr. Chairman, if we go back and examine some of the worst corruption cases in the history of the country, the corruption cases are at the local level. There is corruption at the State level. If we look at Federal funding for programs close to the one we are considering today, look at the SETA program. SETA was destroyed by corruption and incompetence at the local level.

It is the local and State levels that were the problems and continue to be the problems. This myth we have invented for the convenience of the budget cutters, people who want to make drastic reductions in the Federal aid to education, have chosen to blow up local government and State government as some kind of paragons of virtue. They are not. The likelihood that we will have patronage considerations over educational considerations, the likelihood that we will have out-and-out corruption is greater at the local level and at the State level. Sure, it does not get as much publicity, and one of the reasons that corruption goes on and on forever is because it is not exposed in the way the Federal Government is exposed. At the Federal level we have much more visibility.

Mr. Chairman, we are up against a situation where there is the likelihood that Governors and local administrators will have more pressure put on them by the local clubhouse hacks to produce jobs and to produce results for the adult programs than for the children. That likelihood is very real. It is very real, and we need safeguards against it. Beyond the safeguards, we need to have some kind of incentives provided, some kind of protection provided for education.

Mr. Chairman, the one-way valve I am talking about would be a much more innovative and useful device for the education of children. I do not think children would be protected at all by leaving it wide open and allowing this flexibility at the level of the Governors and the local level. I think that the fact that this language was slipped in at the last minute shows that the people who are the authors of the bill do not lend credibility to themselves.

Mr. SOUDER. Mr. Chairman, I move to strike the requisite number of words, and I rise to reluctantly, and I want to say very reluctantly, oppose the amendment offered by the gentleman from Michigan.

I hope if there are ever grades given in the art of compromise, that I do not pass with high and flying colors; that I get it kicking and screaming, just a bare passing grade. As Members may know, in committee, I worked with the gentleman from Montana [Mr. WILLIAMS], and others that have concern about Governors moving the money between the different categories. I believe that when the Federal Government allocates the money, we can at least set minimum criteria, not in how to execute these grants but in basic guidelines of where, in general terms, the money should go and some overriding standards as to the results that should be achieved but not micromanage their decisions.

Mr. Chairman, I believe in this bill we have made a number of compromises in order to move forward, to keep the four categories as opposed to a general block grant, to protect as many of the categories as possible. While this does allow a minimum number of moving between a couple of categories, which I personally only supported with great reluctance, at this point I do believe we have a bill that can hold together and make it through the House and into law, and so I reluctantly oppose the gentleman from Michigan, even though I very much respect his point.

Mr. WILLIAMS. Mr. Chairman, I move to strike the requisite number of words, and I support the amendment of the gentleman from Michigan [Mr. KILDEE], my friend and colleague, although I must say, if we only look at the money that could be moved, it is a close call. It is not a close call, though, on other elements, which I think have not been fully explored during the debate, and that is with regard to governance.

Mr. Chairman, this amendment, allowing Governors to move money between youth and adult training programs, will allow them to do something with Federal money that they cannot now do with their own State money.

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There are 15 States that elect chief State school officers and give them governance over education. There are nine States that have State elected boards of education. They choose a chief State school officer and provide all education governance to that chief State school officer.

So my friends, the point is this: In those States, Governors cannot move money from education to training. Yet we are going to give them the right to do that with Federal money, a right that they do not now have under law. They are going to be able to violate the constitutional responsibility of their own chief State school officer, take education money, up to 10 percent of the total of the Federal money, away from that chief State school officer, and put it over here in labor, in training programs. This is something they now cannot do with their own money, because of their own constitutional prohibitions.

Now, there is another problem in what we are doing. I think that first

problem is very significant and going to create a lot of consternation in the States between the chief State school officers and the Governors. But there is a second problem.

This Congress, after many, many sessions of work, and after attempts by two or three Presidents, is finally, I think, going to pass significant welfare reform legislation, and we are going to have a massive training component and work requirement, at least work requirement, in that welfare reform bill. We are going to do something else: We are going to cut the money available to the Governors to train our own constituents.

What are the Governors going to do? Turn to the education money, pull 10 percent of it out, and put it over here in the training money so they can train their welfare reform people and bring them up to the standards that are going to be required.

So on the one hand, we are going to propel the Governors to do this through our welfare reform legislation; and on the other hand, we are forcing them into a fight, if they do do so, with the very people in their States who now have jurisdiction over this education money. We are going to force the Governors to reach in, take money from their chief State school officer, take it away from youth education and use it over here in adult training. That is a fight the Governors and chief State school officers are going to wish we had never forced them into.

Therefore, I think the gentleman from Michigan [Mr. KILDEE] is showing some good foresight here and wisdom in saying ''Let's not start down this path. It will create governance problems, and, to a lesser degree, will create financial problems for the chief State school officers.''

Mr. RIGGS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, with all due respect to my colleagues on the other side of the aisle, because I think they have made very constructive contributions to the drafting of this legislation, I should point out that the language presently in the bill, the 10-percent transferability, represent a compromise with the governors, who initially wanted a 20-percent transferability across the four consolidation block grants.

In drafting this legislation, we have attempted to at each stage of the way find a delicate balance between the concerns of various interest groups like the Governors, like the family groups, like the business community, in coming up with language that would be acceptable on a broad basis.

This bill language just observes the longstanding American tradition of decentralized decisionmaking in education. I do not think anybody participating in this debate today would dispute that longstanding tradition.

Furthermore, it respects the needs of local communities. We want to give not only the Governors, but local decisionmakers in local communities the maximum say and the maximum flexibility in ultimately deciding how to use these funds from the Federal taxpayers to best meet the needs of their local work force, and certainly of young people who are in the education system and are making steps towards entering the work force.

So, again, we are simply here trying to observe the concept of federalism, taking a decentralized approach, respecting the longstanding tradition of States and local communities to control education and job training decisions.

The other point I wanted to make was on the funding level, because we are going to hear a lot of debate here on the floor today about whether or not we are adequately funding these block grants. I want to point out to my colleagues that I share the concerns of the gentleman from Wisconsin [Mr. GUNDERSON], as one member of the Committee on Appropriations.

I personally hope we are able to come through the appropriations process and fund these education and job training block grants at the postrescissions level. Another way of putting that is, I hope we can get the funding back to the level previously determined through a bipartisan agreement between the Republican-controlled Congress and the Democratic administration and the President on the rescissions bill. That is my hope and intent as we gear up here for the final stage of the appropriations process and go to conference on the Labor-HHS-Education appropriations bill with the Senate.

Mr. KILDEE. Mr. Chairman, will the gentleman yield?

Mr. RIGGS. I yield to the gentleman from Michigan.

Mr. KILDEE. Mr. Chairman, I appreciate the gentleman's comments.

Mr. Chairman, the gentleman mentioned that this is a compromise with the Governors. It is a compromise with his side of the aisle, because the Governors never negotiated with us. We wrote this bill in committee in a very bipartisan spirit. The bill came out of committee, I think, with only four negative votes. Then the Governors came to that side of the aisle and worked out a compromise.

I think they have jeopardized a bipartisan effort. if they want a compromise, we are still here, too, but they choose to compromise only with that side of the aisle.

Mr. RIGGS. Mr. Chairman, reclaiming my time, I would simply point out, my personal view is that the suggestions and contributions by the Governors, and obviously we have been principally working with the Republican Governors, but all the Governors, have only helped to refine and improve the legislation before us.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. KILDEE].

The amendment was rejected.

AMENDMENT NO. 25 OFFERED BY MR. WILLIAMS

Mr. WILLIAMS. Mr. Chairman, I offer an amendment, amendment No. 25.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. WILLIAMS: Page 31, strike line 1 and insert the following:

(2) the lead State agency, entity, official, or officials

Page 31, line 4, after ''(including'' insert ''the State entity responsible for setting education policies for activities under this Act, consistent with State law, on the day preceding the date of the enactment of this Act and''.

Page 32, after line 16, insert the following:

(2) ACCEPTANCE OF CERTAIN RECOMMENDATIONS.—The recommendations of any State agency, State entity, or State public official described in subsection (b)(2) with respect to any portion of the State plan described in section 104 that affects programs that are under the jurisdiction of the agency, entity, or official shall be accepted by the Governor of the State and the other participants in the collaborative process, and shall be incorporated in the plan, unless the plan includes a finding by the Governor that the recommendations are inconsistent with the purpose of this Act.

Page 32, line 17, strike ''(2)'' and insert ''(3)''.

Page 36, after line 7, insert the following:

(11) A designation, consistent with State law, of the State agency or agencies to serve as administrative or fiscal agents for purposes of titles II and IV.

Mr. WILLIAMS. Mr. Chairman, this is my State governance amendment and follows on the last debate, and in particular on my words in the last debate. That is, I am concerned that this legislation, particularly given that the Kildee amendment has failed, will create a governance problem within the States among the Governor and the chief State school officers.

My amendment makes it clear that this bill does not interfere with the decisions that States themselves make with regard to how to organize themselves, particularly when they have done it under constitutional mandate. At both the subcommittee and full committee level I worked with both of the chairmen to develop language that stated that this bill was not intended to negate or supersede or interfere with State organizational decisions. Although we placed some language in the bill, we also set up a process for putting together State and local plans that could be in conflict with this principle and which could also lead to unnecessary confusion at the State and local level, and that would have the result of unfortunate political struggling.

So my amendment follows what I hope is a pretty simple path: It says when putting together the State plan for funding under this bill, the Governor has to include as part of that plan the recommendations of the State agency that has jurisdiction over those specific areas funded under this plan. If the Governor, however, finds out that those recommendations would be inconsistent with the purposes of this

act, he would not have to include them in his agency recommendations.

Now, let me say again part of what I said during this debate just concluded. Let me tell you why this is, I believe, necessary.

In a number of States, there are State constitutions that place jurisdiction for education programs under the jurisdiction of some person other than a Governor, quite often an elected chief State school officer. Some States, by the way, do the same for labor programs and the training efforts that come under them.

We obviously have to respect those State constitutional decisions, or we will be allowing Governors, perhaps, to do something under the cover of Federal law that they cannot do under their own State constitutions. Maybe that is why Governors came in here at the last minute lobbying for some of these changes, do you suppose?

Let me also say again what I said before, in case there is anyone in the Chamber of listening that was not here during the last debate. We have 15 State school officers who are elected representatives of their people with jurisdiction over State education matters. They are the constitutionally chosen individuals within their States to administer education programs, including Federal education programs. But this bill, without this amendment that I am now offering, undermines those State decisions.

We have, as I said earlier, other States that elect their State school boards who appoint a chief State school officer and place in that person the jurisdiction of administering and being responsible for State education efforts. So in those States, education is not under the control of the Governor. In some States training programs are not under the control of the Governor

I think we should make it clear as possible with this legislation that we are not trying to impose on the States our governance structure through this bill with regard to what authority the Governors have, particularly if that governance structure in this bill is at variance with the State's constitution.

So my amendment makes no changes to the heart of this bill. But what it does do is preserve State decisionmaking, particularly governance matters and jurisdictions with regard to the States.

I encourage my colleagues to accept this amendment. I believe it is important. I think it will stop or prevent a lot of legal and political wrangling in the various States.

Mr. GOODLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this issue is always a very difficult issue on every piece of legislation that comes out of our committee, and we have gone round and round on this for many, many years. The problem, however, with this particular piece of legislation is it is so different than many others, in that we are not just talking about education, we are bringing into this collaborative process many different entities.

Now, if we would accept the gentleman's amendment, then we would set education on a totally different level than all of the others who are participating in this collaborative process. So normally we are talking only about education. It makes it a little more simple than this. But this particular time we are not only talking about education, we are trying to develop a collaborative process that will finally fine tune our programs so we will be able to compete on a worldwide basis in the 21st century. So my opposition would be that we will positively dilute the collaborative process if we go this route.

Now, in the bill we say nothing in this act shall be construed to negate or supersede the legal authority under State law of any State agency, State entity, or State public official over the programs that are under the jurisdiction of the agency and the official.

We say nothing in this act shall be construed to interfere with the authority with such agency, entity, or official to enter into a contract under any provision of law.

Several State constitutions which have elected chief State schooling officers or State boards of education, these State constitutions also require that education funds go to these elected bodies. Language in the CAREERS bill prohibits the Federal Government from superseding State constitution and State laws.

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In States where there is not a constitutional issue, CAREERS provides the Governor with the final authority.

So, again, I realize this is always a very difficult issue. I am sure it will get more recognition as we go through the conference. But it is somewhat different this particular time, because now we are talking about a collaborative process, we are not only talking about education in relationship to the Governor and the State.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Montana.

Mr. WILLIAMS. Mr. Chairman, I thank the gentleman for yielding to me.

I know from working with the chairman of the committee that he has the concern that this governance matter be properly respected. That is the matter to which he is speaking now. There is still, as the gentleman knows, a difference of opinion about whether we have really boilerplated this so as to stop this political and legal haggling which I fear we may create.

Knowing the chairman's wish to get this part right, I would be happy to withdraw the amendment with the Chair's assurances that the Chair is not entirely married to the committee language and is still willing to consider our point of view and work with us as we approach conference.

Mr. GOODLING. Mr. Chairman, I think we can consider each other's point of view between now and during conference, because I am sure it will be an issue again in conference. I share the gentleman's concern.

Mr. WILLIAMS. Mr. Chairman, we do have the gentleman's assurance that he shares the concern on the governance matter.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

AMENDMENT OFFERED BY MR. OWENS

Mr. OWENS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OWENS: Page 71, line 2, strike ''Expenditures'' and insert ''With the approval of the Secretary, expenditures''.

Page 71, line 3, insert after ''other criminal activities'' the following: '', or mis- expenditures of funds due to willful disregard to statutory requirements, gross negligence, or failure to observe accepted standards of administration''.

(Mr. OWENS asked and was given permission to revise and extend his remarks.)

Mr. OWENS. Mr. Chairman, this amendment would impose financial penalties for the misuse or abuse of Federal training dollars. One of the great mythologies, as I pointed out when discussing the previous amendment, one of the great mythologies upon which this bill is based is that the only bad government is the Federal Government, that waste and corruption can only occur in Washington and that State and local governments are populated by saints and angels.

Massive amounts of Federal dollars are turned over to States and local governments in this bill with minimal supervision and minimal accountability. There has not been a job training program this loosely structured since CETA, the Comprehensive Employment Training Act. Do Members recall what happened to CETA?

Do Members recall how infamy was brought to CETA by local and State governments? I have served at all levels of government. I know from experience that the sponsor's faith in the purity of State and local government is misplaced. This is a myth that has been deliberately created to justify moving large numbers of programs to the State and local level in order to cut those programs in the process.

Mismanagement, incompetence, greed, and venality are, if anything, more pervasive the lower one goes into government. It is less visible, but it is more pervasive. For that reason I have no doubt that, if this bill is enacted into law, we will all be reading about outrageous scandals and abuses in a year or two.

But if we are going to adopt the honor system when it comes to job training programs, if we are going to

create CETA part 12, we should obtain some mechanism for the Federal Government to recover taxpayer dollars that are misspent or wasted. Under our current job training programs, as under all Federal grant programs, grantees who misspend funds must repay them to the Treasury with non-Federal dollars.

This bill, however, includes a very generous forgiveness provision that lets the wrongdoers off the hook. Taxpayers listen closely. Instead of repaying the money they misspend, they can just deduct is from their next grant. No questions asked.

The taxpayers lose their money. Persons who need training do not get it. And the bureaucrat responsible for it all gets away without even a slap on the wrist. My amendment would more carefully target those instances in which the forgiveness provision would be available.

It would deny forgiveness and require restitution when a bureaucrat misspends funds due to, one, a willful disregard of statutory requirements, gross negligence or, three, a failure to observe accepted standards of administration. In other instances when an auditing exception is due to simple error or an honest mistake, grantees could deduct the funds from the next grant. But when the misexpenditures are deliberate, or due to incompetence, restitution must be made.

In many cases, the problem will be deliberate misuse of funds, and this is not play money. These are tax dollars. No one, whether they are in Federal, State, or local government, should be given license to misspend the taxpayers' dollars.

This is a very elementary amendment, very elementary proposal. This is a very standard requirement that is included in all legislation up to now. Why are we suddenly creating incentives for misspending funds? Why are we creating temptations for people to play with Federal money? The amount of Federal money gets smaller and smaller that is available for education and for job training. We want to make small amounts of money more vulnerable to being raided by people who prey upon Federal programs and who prey upon the people who need these very critical programs.

I would like to know why this amendment cannot be accepted as sort of standard operating procedure being continued? We have it already. For what purpose has the majority decided to make things more easy, lenient for people who engage in misspending of Federal funds? For what purposes are we courting corruption? What do we gain by making the laws more lax as we go through this gigantic transformation of government pushing down to the local level and to the State level programs which recently worked under the jurisdiction of the Federal Government?

I do not understand why we have taken this step. All of us know that there are still cities and towns in this country controlled by organized crime. All of us know that there are rampant examples occurring every day of gross mismanagement in various departments of State government and city government.

I do not like to refer to the O.J. trial in this setting, but we see massive incompetence in every level of Los Angeles City government, and we see in the context of the police department a department of city government with ongoing gross corruption of the worst kind.

In New York State recently we had the State police facing a scandal of fingerprints being planted by State police. On and on it goes. Corruption at the local level is the basic problem, and we should try to counteract it.

Mr. GOODLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, first of all, I understand the concerns just expressed. We, too, of course do not want program dollars for individuals to be diverted to cover up sloppy administration. We want to work with you as we head to conference on the issue. But herein is the problem. It was mentioned over and over and over again, local officials, corrupt local officials.

I do not want to say that somehow or other all State and local officials are corrupt. I think we have some housing ghosts in our own closet on the Federal level. But herein lies the problem, we are trying to get away from having local officials dominating what happens. So we set up this work force board, and we set up a board that is primarily made up of local business persons.

We cannot assign them the risk, the liability. Who then do we assign the risk and the liability? Well, we assign it to those very local officials that were just degraded. That is the dilemma that we are faced with. How do we have this board be autonomous? How do we lift this board away from the influence and the control of those local elected officials?

If we do not deal with the liability issue somehow, we are not going to be able to make that change. The local officials are still going to be totally in charge, and that board, of course, will have very little influence whatsoever. And we are counting on that board to make the changes that we believe need to be made.

I realize it is a tremendous dilemma, but what we are doing, if we go strictly by the gentleman's amendment, what we are doing is turning it right back to total domination by those local elected officials that we talked about. There must be come way to change that.

Mr. CLAY. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Missouri.

Mr. CLAY. Mr. Chairman, we understand what problem the gentleman is trying to get at. We on this side, most of us agree that there is a problem. I was just wondering if maybe we could work on this and get some language by the time we get to conference that will achieve what we want.

I think that these funds ought to come out of the administrative funds that are going instead of penalizing the recipients of the training program. So I am in total agreement with what the gentleman is trying to accomplish.

Maybe between now and conference we can work on some language.

Mr. GOODLING. Mr. Chairman, I would be happy to work between now and the time we get to conference and see whether we cannot come up with some agreeable language where we can protect those local private people and at the same time not allow the local elected officials to dominate the changes we are trying to make, the reforms we are trying to make.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from New York.

Mr. OWENS. Mr. Chairman, in placing liability, I did not see where liability will be placed on the recipients. The gentleman said the recipients of the training would be suffering. I do not see where the recipients would suffer at all except in the case of where we take money out of next year's program to pay for mistakes that have been made in the previous program. Then we are shortchanging the recipients.

Mr. GOODLING. Mr. Chairman, I think where the recipients will be hurt is that we are going to turn the total control of the operation back to the local government that the gentleman had a lot of dissatisfaction with. That is where I think they will be hurt.

I think the recipients will get a much better program if we give as much flexibility and as much control to that board. But if we stick that board with liability, of course, then that board is not going to serve, is not going to function. It is going to be the local elected officials who are going to assume the liability and then assume control totally of the program. Then I think we are back to CETA.

Mr. OWENS. Mr. Chairman, if the gentleman will continue to yield, I do not agree with the liability being a problem where total control has to be regained. I think it is a far simpler procedure than that. But if the gentleman agrees to try to work it out, I certainly would agree to an effort to work this out.

Mr. GOODLING. Mr. Chairman, I thank the gentleman.

Mr. OWENS. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of gentleman from New York?

There was no objection.

The CHAIRMAN. Are there further amendments to title I?

If not, the Clerk will designate title II.

The text of title II is as follows:

TITLE II—YOUTH DEVELOPMENT AND CAREER PREPARATION CONSOLIDATION GRANT

SEC. 201. PURPOSES.

It is the purpose of this title to provide States and local communities maximum flexibility in designing youth development and career preparation programs that—

(1) help youth attain the academic skills and occupational skills needed to be successful in a global economy and for lifelong learning;

(2) best suit the needs of in-school and at-risk youth in their communities;

(3) promote strong connections between in-school and at-risk programs, to ensure that youth are prepared for further education opportunities and good jobs, and promote youth development and career preparation programs that provide opportunities for youth to receive postsecondary education and occupational training;

(4) promote the formation of education and business partnerships that are dedicated to linking the worlds of school and work; and

(5) promote high academic and occupational standards and quality vocational-technical education, including improved secondary and postsecondary programs, by focusing resources on program improvement initiatives that help prepare youth for further education, training, and high-wage jobs in high-performance workplaces.

SEC. 202. DEFINITIONS.

For purposes of this title:

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

(2) The term ''all aspects of the industry'' means strong experience in, and understanding of, all aspects of the industry that youth are preparing to enter, including planning, management, finances, technical and production skills, underlying principles of technology, labor issues, and health and safety.

(3) The term ''articulation agreement'' means a commitment to a program designed to provide students with a nonduplicative sequence of progressive coursework in secondary and postsecondary education.

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

(5) The term ''corrections vocational education'' means programs administered by the State to assist juvenile and adult criminal offenders in correctional institutions in the State, including correctional institutions operated by local authorities.

(6) The term ''curricula'' means instructional and related or supportive material, including materials using advanced learning technology, in any occupational field which is designed to strengthen the academic foundation and prepare youth for employment at the entry level or to upgrade occupational competencies of those previously or presently employed in any occupational field, and appropriate counseling and guidance material.

(7) Except as otherwise provided, the term ''eligible institution'' means a local educational agency, an area vocational education school, an intermediate educational agency, an institution of higher education (as such term is defined in section 1201(a) of the Higher Education Act of 1965), a State corrections educational agency, or consortia of such entities.

(8) The term ''partnership'' means a local entity that is responsible for local youth development and career preparation programs and may consist of parents, employers, representatives of local educational agencies and local postsecondary educational institutions (including representatives of area vocational education schools, where applicable), local educators (such as teachers, counselors, or administrators), representative employee organizations, students, and may include other entities.

(9) The term ''Secretary'' means the Secretary of Education.

(10) The term ''sequential course of study'' means an integrated series of courses which are directly related to the educational and occupational skill preparation of youth for jobs, or preparation for postsecondary education.

(11) The term ''single parent'' means an individual who—

(A) is unmarried or legally separated from a spouse; and

(B)(i) has a minor child or children for whom the parent has either custody or joint custody; or

(ii) is pregnant.

(12) The term ''special populations'' includes individuals with disabilities, economically disadvantaged individuals, individuals of limited English proficiency, and individuals who are eligible for nontraditional training and employment.

(13) The term ''tech-prep education program'' means a program of study which—

(A) combines at least 2 years of secondary and 2 years of postsecondary education in a nonduplicative sequential course of study;

(B) integrates academic and vocational instruction;

(C) provides technical preparation in at least 1 field of engineering technology, applied science, mechanical, industrial, or practical arts or trade, or agriculture, health occupations, or business;

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

(E) leads to an associate degree or certificate in a specific career field;

(F) leads to placement in appropriate employment or further education; and

(G) enables a student to fulfill a career relating to labor market needs.

(14) The term ''vocational education'' means organized educational programs offering a sequence of courses which are directly related to the preparation of youth in paid or unpaid employment in current or emerging occupations, including nonbaccalaureate certificate and degree programs and baccalaureate vocational degree programs. Such programs include competency-based applied learning which contributes to a youth's academic knowledge, higher-order reasoning, and problem-solving skills, work attitudes, general employability skills, and the occupational-specific skills necessary for economic independence as a productive and contributing member of society. Such term also includes applied technology education.

(15) The term ''vocational student organizations'' means those organizations for individuals enrolled in vocational education programs which engage in activities as an integral part of the instructional program. Such organizations may have State and national units which aggregate the work and purposes of instruction in vocational education at the local level.

Subtitle A—State Funding

SEC. 211. NATIONAL AND STATE FUNDING.

(a) NATIONAL PROGRAMS.—In each fiscal year, of the amounts made available under section 4, the Secretary is authorized to reserve 20 percent or $25,000,000, whichever is less, to carry out the provisions of subtitle D.

(b) STATE ALLOTMENT.—

(1) IN GENERAL.—Of the funds remaining after the reservation under subsection (a), the Secretary shall allot to each State for each fiscal year an amount based on that State's allotment percentage.

(2) ALLOTMENT PERCENTAGE.—(A) Except as provided in subparagraph (B), the allotment percentage of a State for a fiscal year shall be the same percentage of funds allotted to the State under this section in the preceding fiscal year.

(B) The allotment percentage of a State for fiscal year 1996 shall be the percentage of funds allotted to the State in fiscal year 1995 under—

(i) section 101 or 101A of the Carl D. Perkins Vocational and Applied Technology Education Act as such Act was in effect on the day before the date of the enactment of this Act; and

(ii) the funding allotted in fiscal year 1995 under section 252 and 262 of the Job Training Partnership Act as such Act was in effect on the day before the date of the enactment of this Act.

(3) STATE MINIMUM.—Notwithstanding any other provision of law and subject to paragraph (1), any fiscal year for which the amounts appropriated for programs authorized by this title exceed the amounts available under subparagraph (B) for fiscal year 1995, a State shall receive not less than one-quarter of one percent of the amount available for each such program for that fiscal year under this subsection. Amounts necessary for increasing such payments to States to comply with the preceding sentence shall be obtained by ratably reducing the amounts to be paid to other States.

(4) DEFINITION.—For the purposes of this subsection the term ''State'' means, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

(c) FUNDING FOR STATE PROGRAMS.—Of the funds allotted to a State under subsection (b) for each fiscal year, the Governor, through the collaborative process, shall—

(1) make available not less than 90 percent to local providers;

(2) make available not more than 8 percent for State programs described in section 222; and

(3) make available not more than 2 percent for administrative purposes at the State level.

(d) PROVISO.—None of the funds made available under this title shall be used to compel any youth to pursue a specific career. Youth participating in programs under this title shall be eligible to change their course of study and training.

SEC. 212. WITHIN STATE ALLOCATION.

(a) IN GENERAL.—

(1) ALLOCATION OF FUNDS.—From the amounts made available pursuant to section 211(c)(1), the Governor, through the collaborative process, shall—

(A) allocate to eligible institutions an amount equal to not less than 40 percent of such amount for in-school youth programs described in section 241;

(B) allocate to local workforce development boards an amount equal to not less than 40 percent of such amount for at-risk youth programs described in section 245.

(2) DISCRETIONARY FUNDS.—From the amounts made available pursuant to section 211(c)(1), the Governor, through the collaborative process, is authorized to provide 10 percent of such amounts for discretionary purposes, as determined by the Governor, to eligible institutions or local workforce development boards for in-school and at-risk youth.

(3) REMAINDER OF FUNDS.—From the remainder of amounts made available pursuant to section 211(c)(1) and distributed pursuant to paragraphs (1) and (2) of this subsection, the Governor, through the collaborative process, shall allocate the remainder of any such amounts to carry out the purposes of subparagraphs (A) or (B) of paragraph (1).

(b) WITHIN STATE FORMULA.—

(1) ESTABLISHMENT.—The Governor, through the collaborative process, and after consultation with local chief elected officials in the local workforce development area and, where appropriate, local educators in such area, shall develop a formula for the allocation of funds in accordance with paragraph (1) of subsection (a). Such formula shall take into account—

(A) poverty rates within each local community, as determined by the State;

(B) the proportion of the State's youth population residing within each local community; and

(C) such other factors as considered appropriate.

(2) ADDITIONAL FACTORS.—In establishing such formula, the Governor shall ensure that funds are distributed equitably throughout the State, and that the factors described in paragraph (1) do not receive disproportionate weighting.

(c) MINIMUM GRANT AMOUNTS.—

(1) LOCAL EDUCATIONAL AGENCIES.—A local educational agency or consortium of such agencies that receives a subgrant from a State under paragraph (1) of subsection (a) for any fiscal year shall receive not less than $15,000.

(2) POSTSECONDARY INSTITUTIONS.—A postsecondary institution or consortium of such institutions that receives a subgrant from a State under paragraph (1) of subsection (a) for any fiscal year shall receive not less than $50,000.

(3) LOCAL DEVELOPMENT BOARD.—A local development board that receives a subgrant from a State under paragraph (1) of subsection (a) for any fiscal year shall receive not less than $15,000.

(4) SECONDARY-POSTSECONDARY CONSORTIA.—One or more local educational agencies and one or more eligible institutions may enter into a consortium agreement. A consortium formed pursuant to this paragraph that receives a subgrant from a State under this subtitle shall receive not less than $50,000 in any fiscal year.

(d) FUNDS TO CONSORTIUM.—Funds allocated to a consortium formed to meet the requirements of subsection (c) shall be used only for purposes and activities that are mutually beneficial to all members of the consortium. Such funds may not be reallocated to individual members of the consortium for purposes or activities benefiting only one member of the consortium.

(e) WAIVER.—The State may waive the application of subsection (c) in any case in which a grant recipient—

(1) is located in a rural, sparsely-populated area; and

(2) demonstrates an inability to enter into a consortium for purposes of providing services under this title.

Subtitle B—State Organizational, Planning, and Reporting Responsibilities

SEC. 221. STATE PLAN.

In addition to the requirements described in title I, a State that desires to receive funds for any fiscal year under this title shall, as part of the State Workforce Development and Literacy Plan under title I, submit to the Secretary of Education information that includes—

(1) 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, including industry-approved skill standards and workplace competencies;

(2) a description of how the State will improve comprehensive career guidance and counseling which may include linkages to career exploration and guidance counseling outside of the school system and shall describe how the State will effectively demonstrate the system of career preparation for youth, which includes elements such as professional development, and secondary-postsecondary collaborations;

(3) a description of the strategy of the State for integrating academic, vocational, and work-based learning, including a description of how the State will promote collaboration between secondary and postsecondary occupational and academic programs and institutions and incorporating learning in all aspects of the industry; and

(4) a description of how the State will promote the active involvement of parents and business (including small- and medium-sized businesses) in the planning, development, and implementation of youth development and career preparation programs authorized under this title.

SEC. 222. STATE PROGRAMS AND STATE ACTIVITIES.

(a) GENERAL AUTHORITY.—From amounts made available to a State under section 211(c)(2), each State shall conduct State programs and activities.

(b) USES OF FUNDS.—The programs and activities described in subsection (a) may include—

(1) an assessment of programs conducted with assistance under this title, including the development of—

(A) performance indicators and measures for such programs; and

(B) program improvement and accountability with respect to such programs;

(2) the support for tech-prep education;

(3) support for workforce preparation programs for single parents, displaced homemakers, and single pregnant women;

(4) support for corrections vocational education;

(5) professional development activities for vocational teachers, academic teachers, school administrators, counselors, workplace mentors, and local providers regarding integration of vocational, academic, and work-based curricula, including—

(A) inservice and preservice training of teachers and faculty in state-of-the-art programs and techniques and nontraditional training and employment; and

(B) support of public teacher-education programs to ensure vocational teachers stay current with the needs, expectations, and methods of industry to meet employer standards;

(6) development, dissemination, and field testing of curricula, especially—

(A) curricula that integrate vocational, academic, and work-based methodologies;

(B) curricula that provide a coherent sequence of courses through which academic and occupational skills may be measured; and

(C) curricula for work-based learning;

(7) leadership and instructional programs in technology education;

(8) support for cooperative education;

(9) support for family and consumer science programs;

(10) creative use of technologies, including professional development in the use of such technologies for instructional purposes and to increase counselor's and youth's knowledge of, and use of, additional information resources;

(11) support for vocational student organizations; and

(12) improving comprehensive career guidance and counseling.

SEC. 223. INCENTIVE AWARDS.

The State, may, from the amount made available under section 211(c)(2) for any fiscal year make performance awards to 1 or more eligible institutions or local providers that have—

(1) exceeded in the performance goals described in section 110(f)(3);

(2) implemented exemplary youth development and career preparation programs at the local level in accordance with the purposes described in section 201; or

(3) provided exemplary education services and activities for at-risk youth.

Subtitle C—Subgrants for In-School and At-Risk Youth

SEC. 231. PARTNERSHIP AGREEMENTS.

(a) PARTNERSHIP.—A local workforce development board and eligible institutions that desire to receive a subgrant from a State under this subtitle in any fiscal year shall form a partnership for the purposes of collaborative planning, coordination of in-school and at-risk programs, and effective public participation.

(b) PLAN.—

(1) IN GENERAL.—The partnership referred to in subsection (a) shall, in collaboration, develop and submit for approval to the Governor through the State collaborative process a comprehensive youth development and career preparation plan for in-school and at-risk youth. Such plan shall describe how the youth development and career preparation system meets the requirements of sections 241 and 245 and shall address comments received through the collaborative process.

(2) COLLABORATIVE PROCESS.—The partnership shall assure the involvement of parents, teachers, and the community in the collaborative planning process which involves design of the indicators, strategies, articulation, and cooperative agreements, assessments, and evaluation of program activities.

(3) DISPUTES.—In the event a partnership cannot come to agreement on the content of local plans, the Governor, through the collaborative process, is authorized to develop procedures for the resolution of issues in dispute.

SEC. 232. DISTRIBUTION OF FUNDS.

(a) IN-SCHOOL PROGRAMS.—Based upon an application submitted by the partnership to the Governor through the State collaborative process, a State shall distribute funds made available in a fiscal year as provided in section 212(a)(1)(A) to eligible institutions to carry out in-school youth programs described in section 241.

(b) AT-RISK YOUTH PROGRAMS.—A State shall distribute funds made available in any fiscal year as provided in section 212(a)(1)(B) to local workforce development boards to carry out at-risk youth programs described in section 245.

CHAPTER 1—IN-SCHOOL YOUTH

SEC. 241. USES OF FUNDS FOR IN-SCHOOL YOUTH.

(a) GENERAL AUTHORITY.—Each eligible institution that receives a subgrant under this chapter shall use funds provided under such grant to improve youth development and career preparation programs.

(b) REQUIREMENTS FOR USES OF FUNDS.—Funds provided by a State pursuant to section 212(a)(1)(A) shall be used to provide in-

school youth development and career preparation programs that—

(1) are of such size, scope, and quality as to be effective;

(2) integrate academic, vocational, and work-based learning, stressing applied and contextual learning, through a coherent sequence of courses so that youth achieve both academic and occupational competencies and have strong experience in, and understanding of, all aspects of the industry;

(3) involve employers in the design and implementation of programs;

(4) establish effective linkages with at-risk youth programs, secondary and postsecondary education;

(5) provide work-based learning experiences with adult mentoring where appropriate; and

(6) provide comprehensive career guidance and counseling, including exploration in the practical arts or trade.

(c) ADDITIONAL USES OF FUNDS.—In carrying out the provisions of subsection (b), funds may be used by an eligible institution for in-school youth activities such as—

(1) purchasing, leasing, or upgrading of equipment, including instructional aids and material;

(2) inservice training of vocational instructors, academic instructors, employers, and workplace mentors, to integrate academic and vocational education, and provide high-quality school-based and work-based learning experiences;

(3) tech-prep education programs;

(4) supplementary services designed to meet the needs of special populations;

(5) adaptation of equipment;

(6) apprenticeship programs;

(7) comprehensive mentoring programs in institutions of higher education offering comprehensive programs in teacher preparation which seek to fully use the skills and work experiences of individuals currently or formerly employed in business and industry, who are interested in becoming classroom instructors, and to meet the need of vocational educators who wish to upgrade their teaching competencies;

(8) local education and business partnerships for developing and implementing school-based youth development and career preparation systems;

(9) support for vocational student organizations;

(10) establishing effective activities and procedures to enable program participants and their parents to participate directly in decisions that influence the character of programs, including providing information and assistance needed for informed and effective participation; and

(11) support for programs which prepare youth with skills for personal and family life management, work, and leadership in the community and the Nation.

CHAPTER 2—AT-RISK YOUTH

SEC. 245. USES OF FUNDS FOR AT-RISK YOUTH.

(a) GENERAL AUTHORITY.—Each local workforce development board that receives a subgrant under this chapter shall use funds provided under such grant to improve youth development and career preparation programs.

(b) REQUIREMENTS FOR USES OF FUNDS.—Funds provided by a State pursuant to section 212(1)(B) shall be used to provide youth development and career preparation programs for at-risk youth that—

(1) are of such size, scope, and quality as to be effective;

(2) integrate academic, vocational, and work-based learning, stressing applied and contextual learning, through a coherent sequence of courses so that in-school and at-risk youth achieve both academic and occupational competencies;

(3) involve employers in the design and implementation of programs;

(4) establish effective linkages with in-school youth programs, and secondary and postsecondary education;

(5) provide work-based learning experiences, including experiences in the practical arts or trade, if applicable;

(6) provide adult mentoring as a core component of the program;

(7) provide an objective assessment of the academic level, skill level, and service needs of each participant; and

(8) provide comprehensive career guidance and counseling.

(c) ADDITIONAL USES OF FUNDS.—In carrying out the provisions of subsection (b), providers of at-risk youth programs, as selected by the local workforce development board, may provide activities such as—

(1) tutoring, study skills training and instruction leading to completion of high school;

(2) alternative high school services;

(3) training or education that is combined with community service, and service learning opportunities;

(4) paid and unpaid work experience, including limited internships, entry-employment experience programs, and summer employment opportunities, that are integrated with year-round, school-based, or alternative school-based programs;

(5) dropout prevention strategies, strategies to encourage at-risk youth to reenter high school or alternative high school programs, and programs that encourage pregnant and parenting youth to stay in school;

(6) preemployment and work maturity skills training;

(7) peer-centered activities encouraging responsibility and other positive social behaviors during non-school hours; and

(8) training-related supportive services.

(d) LIMITATIONS ON USE OF FUNDS.—Not more than 10 percent of the funds provided under this chapter to a local workforce development board may be used for administrative purposes.

SEC. 246. AT-RISK YOUTH PROVIDERS.

(a) ROLE OF LOCAL WORKFORCE DEVELOPMENT BOARD.—A local workforce development board that receives funds under this chapter shall not operate programs, but shall contract with eligible providers of demonstrated effectiveness, or with eligible providers utilizing service methodologies with demonstrated effectiveness in serving the youth development and career preparation needs of at-risk youth, for the purpose of providing services under this chapter.

(b) ELIGIBLE PROVIDERS.—For purposes of this chapter, eligible providers may include—

(1) an ''eligible institution'' as defined under section 202(7);

(2) a unit of local government;

(3) a private, nonprofit organization (including community-based organizations);

(4) a private, for profit entity; or

(5) other organizations or entities of demonstrated effectiveness and approved by the local workforce development board.

Subtitle D—National Programs

SEC. 251. RESEARCH ACTIVITIES.

(a) GENERAL AUTHORITY.—

(1) IN GENERAL.—In order to carry out the purpose of this title, the Secretary may, directly or through grants, contracts, or cooperative agreements, carry out research, development, dissemination, replication of model programs, demonstration programs, evaluation, capacity-building, and technical assistance activities with regard to the services and activities carried out under this title.

(2) INFORMATION SYSTEMS.—Activities carried out under this section may include support for occupational and career information systems.

(b) DISSEMINATION.—The Secretary shall establish a system for disseminating information resulting from research and development activities carried out under this title.

SEC. 252. ASSESSMENT AND DATA COLLECTION OF YOUTH DEVELOPMENT AND CAREER PREPARATION PROGRAMS.

(a) IN GENERAL.—The Secretary, through the Office of Educational Research and Improvement, shall conduct a biennial assessment of services and activities assisted under this title, through studies and analyses conducted independently through competitive awards.

(b) CONTENTS.—The assessment required under subsection (a) shall examine the extent to which services and activities assisted under this title have achieved their intended purposes and results, including the extent to which—

(1) State and local services and activities have developed, implemented, or improved youth development and career preparation systems established under this title;

(2) services and activities assisted under this title succeed in preparing youth, including youth who are members of special populations, for postsecondary education, further learning, or entry into high-skill, high-wage careers;

(3) youth who participate in services and activities supported under this title succeed in meeting challenging State academic and industry-based skill standards; and

(4) the system improvement, participation, local and State assessment, and accountability provisions of this title, including the performance goals and indicators established under section 110(f)(3), are effective.

SEC. 253. NATIONAL CENTER OR CENTERS FOR RESEARCH.

(a) GENERAL AUTHORITY.—

(1) NATIONAL CENTER.—The Secretary may, through a grant or contract, establish one or more national centers for conducting applied research, development, dissemination, and technical assistance activities which would focus on improving the development and career preparation of youth. The Secretary shall consult with States prior to establishing one or more such centers.

(2) ELIGIBILITY.—Entities eligible to receive funds under this section are institutions of higher education, other public or private nonprofit organizations or agencies, and consortia of such institutions, organizations, or agencies.

(3) PREVIOUS CENTER.—The national center in existence on the day before the date of the enactment of the this Act shall continue to receive assistance under this section in accordance with the terms of its current award.

(b) ACTIVITIES.—

(1) IN GENERAL.—The applied research, development, dissemination, and technical assistance activities carried out by the national center or centers shall include—

(A) activities that assist recipients of funds under this title to meet the requirements of section 110(f)(3);

(B) research and development of activities that combine academic, vocational-technical education, and work-based learning;

(C) developing new models for remediation of basic academic skills which incorporate appropriate instructional methods;

(D) identifying ways to establish effective linkages among educational and job training activities at the State and local levels;

(E) new models for comprehensive career guidance and counseling;

(F) studies providing longitudinal information or formative evaluation on programs funded under this title, including an analysis of the effectiveness of youth development

and career preparation programs in serving at-risk youth; and

(G) such other activities as the Secretary determines to be appropriate to achieve the purposes of this Act.

(2) DUTIES.—The center or centers shall—

(A) provide assistance to States and local recipients in developing and using systems of performance measures and indicators for improvement of youth development and career preparation programs and services; and

(B) provide technical assistance and outreach.

(3) SUMMARY.—The center or centers conducting the activities described in paragraph (1) shall annually prepare a summary of key research findings of such center or centers and shall submit copies of the summary to the Secretaries of Education and Labor. The Secretary shall submit that summary to the Committee on Labor and Human Resources of the Senate, and the Committee on Economic and Educational Opportunities of the House of Representatives.

(c) CLEARINGHOUSE.—The center or centers shall maintain a clearinghouse that will provide data and information to Federal, State, and local organizations and agencies about the condition of youth development and career preparation systems and programs funded under this title.

The CHAIRMAN. Are there any amendments to title II?

AMENDMENT OFFERED BY MR. KILDEE

Mr. KILDEE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. KILDEE: Page 100, after line 17, insert the following:

(e) FISCAL EFFORT.—

(1) IN GENERAL.—No payments shall be made under this title for any fiscal year to a State unless the Secretary determines that the combined fiscal effort per student or the aggregate expenditures of such State with respect to vocational education for the fiscal year preceding the fiscal year for which the determination is made was not less than 100 percent of such combined fiscal effort or aggregate expenditures for the second fiscal year preceding the fiscal year for which the determination is made.

(2) WAIVERS.—The Secretary may waive, for one fiscal year only, the requirements of this subsection if the Secretary determines that such a waiver would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the State.

Mr. KILDEE. Mr. Chairman, I would label this amendment the State-national partnership for education amendment. It could also be called the no-free-lunch amendment.

Right now States must show that they are maintaining their fiscal commitment to programs that are receiving Federal funds. Why do we do this? Because it helps create a larger pool of funding and a shared commitment to achieving the goals of the program.

□ 1445

My colleagues should know that the Senate job-training bill, which will be voted on next week, has the current law, the current maintenance-of-efforts language. This was never an issue over in the Senate. It was assumed by our colleagues in the other body that both partners in this endeavor would be required to invest. The Senate welfare bill also has a maintenance-of-effort provision.

My good friend and chairman has on many occasions said that he is opposed to general revenue sharing, and that Federal funds should not replace State funds. Without my amendment, that is precisely what we will see.

Finally, I want to read a quote from a report recently issued by the Consortium for Policy Research in Education in ''An Outlook for School Revenue in the Next 5 Years.'' The report states: ''The environment for increases in real school revenue per pupil in the rest of the 1990s will not be favorable. The most significant problem is likely to be reductions in Federal aid to States. States will respond to decreases in Federal aid for social and health programs by trimming increases in State education aid.''

Mr. Chairman, let us not hand States an open invitation to evade their responsibility. Let us keep this very healthy partnership alive. I recognize that in the manager's amendments, they put some half language in on supplement not supplant, but this does not address the core problem.

I think we have to have in place a strong requirement that the States not supplant their dollars with the Federal dollars; that they fully maintain their efforts. We should reinstate the language that we have used for years, the same language as the Senate in its wisdom kept in the bill.

Mr. MCKEON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the Federal Government is reducing the overall amount of funding provided for youth programs. The Federal Government should not at the same time, then, require States to continue their support when they are not maintaining the same amount. There is burdensome paperwork that would be involved with this. It is difficult to determine exactly what services would or could be included.

In the Senate bill, on their side they have a welfare bill offered by Senator DOLE on September 17 that requires States to maintain 80 percent of their current commitment for AFDC programs. The amendment would be added to the bill without any objection. What we are striving to do with this overall program is give as much leeway and help to the local governments as is possible, and this amendment would cause some problems with that. We are trying to work on this at this time.

Mr. RIGGS. Mr. Chairman, will the gentleman yield?

Mr. MCKEON. I yield to the gentleman from California.

Mr. RIGGS. Mr. Chairman, I just want to point out to our colleagues who may be following the debate on the floor that the gentleman made just a moment ago a very important point when he mentioned the action in the other body by Senate Majority Leader DOLE in his manager's amendment to the welfare reform job training bill in the other body requiring the States, under a maintenance of effort provision, to maintain 80 percent of their current commitment for AFDC programs. The amendment now on the floor before the House, in fact the gentleman from Michigan [Mr. KILDEE] was making mention just a moment ago, I believe, of recent actions in the other body, but his amendment would require 100 percent maintenance of effort. Obviously there is a vast difference between the 100 percent maintenance of effort requirement in his amendment and the amendment offered by Senator DOLE to the welfare reform job training program requiring that funding be maintained at 80 percent of the current level, but still allowing us to achieve one of our most important goals with the legislation, and that is to actually accomplish an administrative cost savings that can be applied to deficit reduction and used as part of our long-term efforts to balance the Federal budget.

I appreciate the gentleman yielding so I could make that very important distinction.

Mr. MCKEON. Relaiming my time, when I was home over the last weekend, Mr. Chairman, I was visiting with local school administrators and school board teachers. They wanted to go over some of the cuts we were talking about. They agreed that some of the cuts were necessary, but what they asked was if possible, then, would we not continue the mandates. If we are going to cut back the funds, let us not continue with the mandates. I am in strong support of that. I think when we cut back funds, we also should cut back mandates so we do not burden the local communities.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. KILDEE].

The amendment was rejected.

The CHAIRMAN. Are there further amendments to title II?

AMENDMENT OFFERED BY MRS. MINK OF HAWAII

Mrs. MINK of Hawaii. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 15 offered by Mrs. MINK of Hawaii: Page 105, after line 13 insert the following:

(5) a description of how the State will maintain programs for single parents, displaced homemakers, and single pregnant women and programs that promote the elimination of sex bias.

Mrs. MINK of Hawaii. Mr. Chairman, this amendment tracks parallel to the amendment that we have just been discussing. It is an amendment which goes to a concern that many of us have shared over a long period of time. That is, in the identifying of programs and structuring many of the programs in job training and vocational education, particularly for women, much has been

left out. So about 11 years ago, the Congress saw fit to include in the description of the programs special attention for career development, vocational education, educational programs generally that would be focused upon the specific needs of girls and women.

What happens in this legislation, which block-grants into four categories large sums of moneys that are being committed to the States, for the States to identify exactly how they are to be spent and what programs are to be funded under it, we have no designations with respect to an emphasis or consideration for women and girls, for displaced homemakers, for single parents, for single pregnant women, and so forth.

While I understand the aversion of the majority Members of this body to earmarking and setting aside specific funds for this purpose, I do not think that the concerns of Members are any less today than they have been with respect to the recognition that girls and women in these particular categories need special attention, and we must not allow the programs that are developed at the State level using these block funds to forget or pay less attention to their needs.

What I have asked this committee to do is to distinctly provide in title II of this bill, H.R. 1617, language which requires the States, in submitting their plans, to describe how, in promoting the objectives of this legislation with the block grant authority which they will be given under title II, to maintain programs for the girls and women in this specific area.

I think that this generalized language, while it has no specific earmarks and designation of percentages or set-asides, will at least require the State and new committees that will be organized to decide that the plan is to at least address this issue of how much of their previous programs had been organized around the special needs of girls and women, both in and out of school.

As we know, in title II we have 40 percent of our program for the in-school youth, 40 percent for out-of-school in the at-risk category, and 20 percent for such other programs that might be considered appropriate under this title, I think, in view of the progress that the welfare reform debate has made, and the obvious recognition that the only way single parents in the category of welfare recipients are going to be able to make it, to find a job, is to have adequate educational opportunities and job training. While there is no specific earmark here, there may very well be some specific earmarks and allocations in the bills that deal with welfare.

It seems to me while we are refashioning these over 100 programs in job training, that we must at least cause the people who are fashioning the new guidelines and the new plans to look to this area and to make specific proposals with respect to how their new allocations are going to deal with this, and to maintain the effort and emphasis that has been put in this area in the past. So I would hope that the majority members of the committee on the other side would agree to this amendment and would accept it, and I believe it will go a long way to achieving justice for everyone, because by dealing and working for girls and women, in effect, we are helping the total community and the total society.

Mr. RIGGS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we on this side of the aisle are opposed to the amendment offered by the gentlewoman because it would effectively create a mandate on the States, which is quite contrary to the direction that we want to move here in terms of maximizing flexibility for the States. It would create a special population within title II of the bill, the youth consolidation grant, and really amount to nothing more or less than a gender-based maintenance of effort requirement.

This amendment would add a new requirement under the State plan requirements in the bill, the section of the bill that requires the State to report to the Federal Government on how they are going to use Federal taxpayer funds to accomplish their own self-developed and self-defined goals. Under the gentlewoman's amendment, the State would be required to describe how they are maintaining their programs for single parents, displaced homemakers, single pregnant women, and programs that eliminate sex bias. Again, I suggest that it really constitutes a gender-based maintenance of effort requirement imposed on the States.

The language of the gentlewoman's amendment would require that States maintain their current level of funding commitment, and in crafting this bill, we have endeavored to eliminate set-asides for these and other categorical programs, so the gentlewoman's amendment is, again, quite contrary to the fundamental intent and purpose of the bill.

The other point I would like to make is there is nothing in the bill that prevents the States and local communities from designing programs that are specifically targeted to the special populations which would be served or which are addressed by the gentlewoman's amendment. So while there is no mandate of services for the special populations addressed in the gentlewoman's amendment, the States are asked to report on how these special populations are served and how they have met performance goals.

Last, the bill allows, as an additional use of funds, for in-school programs ''supplementary services designed to meet the needs of special populations,'' so again, there is nothing in the bill, the base bill, that prevents the States from designing and offering programs that are specifically targeted to these special populations. However, the bill is drafted in such a way so there is no mandate that these types of programs be offered to these special populations.

Mrs. MINK of Hawaii. Mr. Chairman, will the gentleman yield?

Mr. RIGGS. I yield to the gentlewoman from Hawaii.

Mrs. MINK of Hawaii. Mr. Chairman, I want to make it perfectly clear that the amendment, and certainly the intent of the amendment and the language, provides no such earmarks, no such set-asides, no such mandates, as has been described by the gentleman on the floor.

□ 1500

Rather, what it is saying is for the States, in developing their plan, to look to those programs that can be identified as having been of special help to this category of girls and women in special circumstances and to try to establish exactly what they have done for these individuals and to come up with proposals as to how they might maintain that level of support.

There is no mandate. There is no requirement, no set-aside whatsoever.

I differ with your understanding of the amendment. That is clearly not what I intended.

Mr. RIGGS. Reclaiming my time, I am just looking at the language of the gentlewoman's amendment, ''The States would be required to describe how they will,'' and here is the operative term, ''maintain programs for single parents, displaced homemakers and single pregnant women in programs that promote the elimination of sex bias.'' I do not know how that can be construed as anything other than a mandate on the States, and again I would point out to the gentlewoman, in the committee bill we certainly have not inserted any language that effectively would preclude the States, those States that would elect to have special programs for these populations from offering those programs.

Ms. WOOLSEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of the Mink amendment to H.R. 1617.

Mr. Chairman, this Congress will soon complete consideration of a so-called welfare reform measure that does nothing—absolutely nothing—to get welfare recipients into work and off welfare permanently. This tragically will leave the most needy among us—women and children—without the Federal safety net which helped me, and my children, survive 27 years ago.

Now, on top of that, the new majority is attempting to scrap the existing job training programs which get women off of welfare and into jobs that pay a family wage.

The Mink amendment is absolutely essential if we want to successfully reform welfare. The amendment will preserve job training programs which help displaced homemakers and single moms become self-sufficient.

Sex equity programs help needy women escape the trap of pink-collar;

low paying; dead-end jobs. These are smart programs. They end up saving the Government money in the long run by giving women a chance to support themselves and their children.

Let us not kid ourselves. If we do not stand up for sex equity job training programs today, they will be lost forever.

Pass the Mink amendment, and give women and children a real chance to succeed.

Ms. WATERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Mink amendment to help women and girls attain equal opportunities in education and employment.

Today, most women must work to earn a living. Yet women still earn 25 percent less than men. They are often tracked into traditionally female occupations which pay considerably less than the careers of their male counterparts.

This is why it is essential that we continue to encourage and train women to seek jobs which pay higher wages. This amendment would do just that. It would require States to maintain programs which encourage the elimination of sexual bias in job training and vocational education. In this way, women could substantially increase their incomes by training for nontraditional occupations which pay 20–30 percent more than traditional, predominantly female ones.

This amendment would also require States to continue to provide specialized services to meet the needs of displaced-homemakers and single parents. These programs, supported by both Democrats and Republicans for the past 11 years, have been tremendously successful in decreasing dependency on public assistance, and in increasing the employment and wage rates of participants.

In one State, 71 percent of the people who participated in the displaced homemakers/single parent and sex equity programs doubled their incomes after completing their training programs.

Let us be realistic. States will not continue to serve the needs of these important groups unless they are required to. Without establishing specific set-asides, this amendment would require each State to continue providing equitable job training and vocational education for women, to give them the tools to become economically self sufficient.

For the past 11 years, Congress has supported the effort to eliminate sex bias and stereotyping in employment. Let us continue to support women, as well as single parents and displaced homemakers, to learn new skills and increase their earning potential and productivity. Let us help them learn to permanently provide for themselves and for their families. Support the Mink amendment.

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of words.

I want to kill a little time because I know the gentlewoman from Maryland [Mrs. MORELLA] would be totally distraught if she could not get here and participate in this, so I say to the gentlewoman from Maryland [Mrs. MORELLA], if you are out there, you had better hustle because we may run out of participants in the debate.

But at any rate, I do not want to take a back seat to anyone when it comes to displaced homemakers. I do not want to pat myself on the back either, but I probably have had more to do over the years with keeping this program moving than most anyone. I have brought all of the successful participants in displaced homemaker programs from my district down to testify on numerous occasions.

What I want to point out is that it would appear to me that if we say to the State you must report how they are served and how you have met the performance goals, certainly we are sending a message to States that we expect them to take care of special needs.

What we have tried to get away from was the fact that over the years we get a set-aside for everything under the Sun, and then we diminish the effectiveness of the program because we reduce the amount of money available because we have had so many programs. We were trying to get away from that set-aside issue and at the same time indicate that certainly we have a strong interest that they meet those needs. That is why we say report on how they are served and how they met performance goals.

Mr. RIGGS. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from California.

Mr. RIGGS. Mr. Chairman, I thank the gentleman for yielding, just so I could make the point, the previous speaker on the other side, the gentlewoman from California, who is a very forceful and dynamic speaker, I think, used the term ''require'' three or four times in her remarks, making it explicitly clear the intent of this amendment is to require States to maintain programs in this particular area, and I share the Chairman's concern that all that ultimately leads to is fragmented job training services at the local level.

Furthermore, I would like to point out that I am not exactly sure why this amendment is being offered under title II, the youth development and career preparation consolidation grant. It seems to be misplaced. If it was to be offered anywhere, it seems it should be offered under title III.

Then when you go through the requirements under section 221, pertaining to the State plan, again, there is nothing in there that is preventing the State from incorporating these special populations into their State plan under the provisions of title II, subtitle B, section 221, State plan.

Mrs. MINK of Hawaii. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentlewoman from Hawaii.

Mrs. MINK of Hawaii. I would like the opportunity to respond to the inquiry. There is nothing in the amendment which requires the States to provide any explicit set-aside funding for these programs, and to the point of why the amendment was placed on page 105, subtitle B, that section has to do with the State plan, and that paragraph begins by saying, ''In addition to the requirements described in title I, a State that desires to receive funds shall submit to the Secretary information,'' and then it lists the kinds of information that the Secretary is seeking to help it determine the nature of the programs that will be in place compared to the past. This is a way to evaluate the functioning of your new program.

It is not a requirement. It is a way for evaluating. It is a way to make assurances that you yourself say you have supported all of these years, and that is to help women in special circumstances.

So this description of a State plan to develop academic and occupational skills of youth, description of how the State will improve comprehensive career guidance, a description of the strategy of how to integrate academic programs with work-based training, a description of how the State will promote active involvement of parents, and then the fifth element, which I have added, which is a description of the States' prior commitment to this special area so that we can see what they have done in the past and measure it with the plan that they are now promulgating for the future and whether this particular category of special needs is going to be met.

I do not regard that as any kind of set-aside requirement, mandate or whatever. It is simply an effort to try to define what information base a State should provide the Secretary.

Mr. GOODLING. Reclaiming my time, would the gentlewoman like to end, after ''bias,'' that nothing in this amendment requires the State to set aside any amount of money for this purpose?

Mrs. MINK of Hawaii. If the gentleman will yield further, I will be happy to consider that if you will agree to my amendment and we could discuss those kinds of limitations when we go to conference, but I think this concept should stand on its face. I hope the Members will support it.

Mr. GOODLING. Then did the gentlewoman indicate she would be happy to consider that?

Mrs. LOWEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Mink amendment. In a Congress where we have debated at length methods of moving families off welfare, and methods of helping individuals become self-

sufficient, we must protect vocational educational programs for women and girls.

It is a fact that the earning power of American women directly impacts the well-being of the American family. Unfortunately, women who work full-time still only make 72 percent of their male colleagues' earnings. This is a particularly disturbing fact when viewed in the context of a recent survey that found that a majority of American women earn at least half of their family incomes. If we are going to value families, we have to value those programs that allow parents to care for their families.

The Mink amendment will preserve important programs that help assure equitable education and employment opportunities for women and girls. The Perkins programs for displaced homemakers, single parents, and sex equity have been very successful. For the past 11 years, these programs have helped women move into new jobs that provide higher wages, better benefits, and the possibility of career advancement. Women in nontraditional occupations earn 20–30 percent more than women in traditional occupations.

Let me tell you about a woman from New York City, Kelly Miles. Kelly is a single mother of three, who was on public assistance for many years. Through a nontraditional employment training program for women, Kelly was able to move off of welfare, and is now a second year apprentice electrician. Kelly holds down a job, and goes to classes twice a week at the Electrician's Union so that she can keep advancing. Kelly is a perfect example of what women can achieve through these very important programs.

I urge all of my colleagues to support the Mink amendment. Through these programs we can reach thousands of Kelly Miles—women who want to be self-sufficient and just need a little bit of help. Please help us to protect these programs.

Mrs. MORELLA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me first commend the members of the Economic and Educational Opportunities Committee for their efforts to consolidate more than 150 training and employment programs into a coherent work force development system. I also want to express my great appreciation to Chairman GOODLING and Chairman MCKEON for agreeing to include language in the bill that will ensure that women have access to nontraditional jobs that pay higher wages and provide better benefits. For displaced homemakers and single parents, nontraditional jobs can be a pathway to economic self-sufficiency and family stability.

It is because of my interest in the self-sufficiency of women that I now rise in support of the Mink amendment which would preserve programs for displaced homemakers, single parents, and pregnant women. It is my understanding that this amendment does not add any cost to the bill. It merely requires the States to describe how they will maintain programs for displaced homemakers and single parents and programs that preserve sex equity.

Programs and services to displaced homemakers and single parents have received high marks. A national assessment of past program participants found that four out of five participants rated the program they attended as excellent or very good. Three out of four customers who participated in other Government programs such as the welfare system, JTPA, or Job Corps, rated the displaced homemaker or single parent programs as much better or better. Nearly all of the participants agreed that they would recommend the program to a friend.

The Mink amendment will assure that these successful programs will continue. The amendment would also provide States with the flexibility they need to meet the needs of the girls and women in their vocational education and job training programs. I urge my colleagues to support this important amendment.

□ 1515

Ms. DELAURO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today in strong support of the Mink amendment which enables women in crisis, single parents, single pregnant women to get the training, education and skills they need to lead economically self-sufficient lives.

Under the current law States are required to designate 10 percent of their education funds for these programs.

This set-aside was created to redirect women into higher skilled and high-wage employment and to address the unique needs of displaced homemakers and single parents.

This amendment, however, does not retain the specific set-aside, but merely requires that each State include in their State plan a description of how they will maintain these services.

I believe this language is essential to ensure equitable educational and employment opportunities for women and girls.

In New Haven County last year, these programs directly provided educational and employment assistance to nearly 500 women. Preparing them to enter the work force and meet the need of their children.

Let me tell you about just one of the extraordinary women in my district and her success story. Pamela C. of West Haven, CT, is a 49-year-old mother of three. When she came to the Displaced Homemaker Program in New Haven in 1993, Pamela was employed in the service industry and bringing home $16,000 a year for her family.

Pamela needed career counseling and a referral to job training so she could upgrade her job skills to earn more money each week and provide a better life for her family.

Pamela received vocational training as a home health aide. She is now working full time as a home health aide for the Visiting Nurses Association in New Haven County. Not only does this provide her substantially more in earnings, she enjoys her work and feels good about going to work each day.

Women like Pamela want to improve themselves and provide for their family. We must not shut the door of opportunity in their faces. The Mink amendment makes sure that door will remain open.

It is clear that these targeted services are needed and are working for families on the edge in my district.

The Mink amendment states that States should maintain programs for single parents, displaced homemakers, and single pregnant women who are struggling to provide for their families. These women are trying to help themselves and contribute, they should be supported and given assistance when possible.

At a time when Congress is reforming our welfare system, and specifically imposing time limits on welfare services, increasing the employability and earning potential of women should be our primary goal.

Mr. Chairman, the Mink amendment does not ask for a set-aside and its does not add any new costs to the bill.

I wholeheartedly support this amendment and urge my colleagues to vote in favor of it.

Mr. BILIRAKIS. Mr. Chairman, as a longtime supporter of programs designed to assist displaced homemakers, I rise today to urge my colleagues to vote in favor of the Mink amendment. I also want to commend my colleague from Hawaii for offering this important provision.

The Mink amendment will require States to include in their workforce development and literacy plan a description of how the State will maintain job training and education programs for displaced homemakers. It will not require States to earmark funds for these programs, nor will it add any cost to the underlying bill.

Mr. Chairman, displaced homemakers are primarily women who have been full-time homemakers for a number of years, but who have lost their source of economic support due to divorce, separation, abandonment, or the death or disability of a spouse. Many displaced homemakers are living at or near the poverty level, are younger than 35 and have children.

One out of every six American women is a displaced homemaker. In 1990, there were 17.8 million displaced homemakers in the United States. In my own State of Florida, there were over 1.1 million displaced homemakers in 1990—a 55 percent increase since 1980.

For many years, I have sponsored legislation to assist displaced homemakers by providing a tax credit to employers who hire and train them. In the present Congress, I have reintroduced this legislation as H.R. 110.

Specifically, my bill would allow employers a tax credit for hiring displaced homemakers by establishing them as a targeted group under the Targeted Jobs Tax Credit [TJTC] program. The TJTC program, which expired at the end

of 1994, is intended to combat and lessen the problem of structural unemployment among certain hard-to-employ individuals.

My bill would reauthorize the TJTC program and extend it solely to displaced homemakers. Under the proposal, employers could apply for a tax credit if they hire and train these individuals who are having difficulty reentering the job market.

I see this approach as cost-effective. By providing prospective employers with the incentive to hire and train displaced homemakers, we avoid the much more costly alternative of publicly supporting these homemakers and their families.

Mr. Chairman, these are persons who are in financial need and want to work. The Mink amendment is designed to help them stand on their own and reduce dependency on public assistance. I hope my colleagues will join me in supporting this important provision.

AMENDMENT OFFERED BY MR. GOODLING TO THE AMENDMENT OFFERED BY MRS. MINK OF HAWAII

Mr. GOODLING. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. GOODLING to the amendment offered by Mrs. MINK of Hawaii: Beginning on line 1 of the matter proposed to be inserted by the amendment, strike out ''maintain programs for''.

At the end of the matter proposed, insert ''Nothing in this Act shall be construed to mandate an amount be set-aside for these purposes.''

Mr. GOODLING. Mr. Chairman, I yield to the gentlewoman from Hawaii [Mrs. MINK].

Mrs. MINK of Hawaii. Mr. Chairman, I have reviewed this amendment and it is wholly consistent with my intent, and I accept it.

Mr. GOODLING. Mr. Chairman, I thank the gentlewoman for accepting the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GOODLING] to the amendment offered by the gentlewoman from Hawaii [Mrs. MINK].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Hawaii [Mrs. MINK], as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN. Are there further amendments to title II?

AMENDMENT OFFERED BY MR. SAWYER

Mr. SAWYER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAWYER: Page 105, line 17, insert '', consistent with State law,'' after ''shall''.

Page 109, line 9, before ''In'' insert ''(A)''.

Page 109, after line 13, insert the following:

(B) If procedures are not in place for the resolution of disputes an eligible institution of such partnership may apply directly to the State for a grant to carry out in-school youth programs described in section 241.

Page 109, beginning on line 16, strike ''by the'' and all that follows through ''process,'' and insert ''according to the requirements described in section 231''.

Mr. SAWYER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SAWYER. Mr. Chairman, I appreciate the opportunity first to comment on the importance of what we are trying to accomplish here today, and on the federally funded employment and training services as proposed in this bill. It is important for Governors to have authority over the approval of the overall State plan. However, the education provisions of the plan in my view should be administered by the authorities within the States who have the clear responsibility for administering State and local education programs.

It is for that reason that I offer this amendment which gives the responsibility for the authority to establish procedures for dispute resolution, dispute settlement for local work force development boards, and to put that into a place that is consistent with State constitutional and statutory provisions.

These procedures would be used to settle disagreements over proposals for State subgrants throughout this title by delegating authority to establish dispute settlement procedures solely to the Governor, as the bill would suggest. The provision infringes on State laws and constitutions in about half of the States.

Now, I recognize that it is the intent, the expressed intent of many of the speakers prior to me that this not be the case. But the fact is that currently at the State level the administration of education is either shared by the Governor and State legislators or delegated to the education board or chief State school officer. In most cases it is not the sole responsibility of the Governor. It is our intent not to disrupt that for this procedural purpose.

I understand also that there are some 25 States or so in which the responsibility for the governance and administration of education is delegated by the Governor through his appointment of a policy-sensitive chief State school officer, and it is not my intention to disrupt that relationship either. Rather, it is to recognize the vocational education is important for our Nation's many students who do not go on to college. It is important for the elevation of skills available to employers, and so it is important to make sure that the dollars that are intended to go to these students get there.

Mr. Chairman, my amendment would defer to State law, and to give the authority to establish procedures to settle these disputes to whomever has control of the administration of education under State law.

My hope had also been to allow local authorities to apply for in-State subgrants in the event that a dispute cannot be resolved within and specified number of days. The goal would have been to prevent students from being penalized when a local work force development board cannot reach an agreement. But it is not, Mr. Chairman, my intent to prejudge or to provide any advantage to one side or another. So, I have removed language from the bill, but would rather leave in place a requirement that procedures for resolving the disputes be in place so that an eligible institution can apply directly to the State to carry out a grant in the event that those procedures are not in place.

I understand that, If I could have the attention of the chairman of the committee, that we have agreed fundamentally with this set of principles, and also understand that it is not our intent to leave stalemated disputes unresolved at the local level, but rather, it is not our intent either to give advantage to any of the parties that are a part of those local boards, and so recognize that it is important to work out such a dispute resolution mechanism at the local level between now and conference.

With that, Mr. Chairman, I want to just again say that I urge the support of this amendment in order to ensure that State sovereignty is honored and that our Nation's vocational students have access to these important funds in a timely way.

Mr. GOODLING. Mr. Chairman, I rise to strike the last word.

Mr. Chairman, I would engage in a colloquy with the gentleman from Ohio [Mr. SAWYER], so that I am exactly sure about what we have done.

At the beginning of the gentleman's amendment, it says, ''consistent with State law'' and then the gentleman has ''after 'shall.'" Is the gentleman indicating that this only applies to States who have constitutional language that directs that money directly to the State education group?

Mr. SAWYER. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Ohio.

Mr. SAWYER. Mr. Chairman, constitutionally specified language as we have discussed in this bill, specifically with regard to States.

Mr. GOODLING. And then the gentleman eliminates line 11 and ''as the case may be''; you have eliminated that language?

Mr. SAWYER. That is correct, Mr. Chairman.

Mr. GOODLING. And then the gentleman has eliminated in line two under (B), ''Or a resolution is not reached within 45 days after a written request for resolution is made by a member of the partnership''?

Mr. SAWYER. Mr. Chairman, as we have discussed, that section is eliminated, recognizing of course that a way to break local deadlocks is important, and that we probably do not have the capacity to write language to accomplish that on the floor, but that we ought to try to achieve that between now and conference.

Mr. GOODLING. Mr. Chairman, with that understanding, we accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. SAWYER].

The amendment was agreed to.

Mr. MCKEON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wish to engage in a colloquy with the gentlewoman from California [Mrs. SEASTRAND].

Mr. Chairman, I yield to the gentlewoman from California [Mrs. SEASTRAND], who has helped us so much on working on this bill, and I appreciate that gentlewoman's comments.

Mrs. SEASTRAND. Mr. Chairman, I thank the gentleman from California.

Mr. Chairman, it is important to recognize that our students of today are our entrepreneurs of tomorrow, and for many years we have sought to find the best ways to educate our children to be contributors to the society in which they live, and to be prepared to take that bold step from primary and secondary education to the workplace and provider.

Now, as we consider any legislation dealing with the education of our children, or enhancing the skills for those already in the workplace, or assessing the needs of those in need of help and assistance, whether it is an education or workplace preparation, we understand that the principles we must adhere to are those on which we place our successes of today, the free market system individual initiative, entrepreneurship, and personal freedom.

In this Congress, we are moving to reexamine our direction of the last 40 years and determine, when possible, how we can enhance those principles and reduce the amount of Government interference.

I believe the intent of this CAREERS bill was to do just that.

□ 1530

The Comptroller General of the United States identified 163 different Federal programs, administered by 14 different Federal agencies that offered some form of education, job training, or employment assistance to youth and adults with a total cost of $20 billion. The intent of CAREERS as presented to me was to end these duplications and fragmentations that existed within the varied Federal work force preparation and development programs, to eliminate conflicting requirements, and to streamline and consolidate programs while providing maximum authority and responsibility to State and local communities.

Now I also understood that CAREERS would stress private sector partnerships and increase leadership and responsibility of the private sector as it relates to investments in work force training and preparation, that it would establish a system which was market-driven, accountable, providing customer choice, improve education by stressing programs resulting in higher literacy rates, while simultaneously focusing on those trapped in poverty and exhibiting inadequate educational achievement.

Now I am supportive of all these goals, but, as I began to read the specifics, I realized that CAREERS, in transferring focus to the State and local levels, had initiated some actions that would work against our goals of a free market driven economy, individual creativity and initiative, and I saw particular need to correct certain situations, and I am satisfied that many have been made. However one major concern that remains relates to the ideas of national skill standards and requirements of skill certificates. I believe it is important that we emphasize that the responsibility of establishing standards and requirements for an individual to gain achievement within a particular field of work should be determined and maintained by those leaders within the particular field or industry and not the Federal Government.

This is an issue, I believe, that must be resolved, and I do not believe that this bill is the vehicle to do so. We should have an opportunity to debate the issue of national skills standards at another time, and so I think it is a topic of many concerns, I know, to constituents of mine and constituents across these United States.

So, Mr. Chairman, what I am asking and strongly encouraging is further discussion in the conference committee regarding this particular issue.

Mr. MCKEON. Mr. Chairman, because job training and work force preparation programs are about preparing individuals for careers, it is important that employers identify the skills needed in the workplace and the training be tied to such skills in order that employment and training programs are relevant and useful. CAREERS includes the attainment of industry-recognized skill standards in its performance indicators for both adults and youth. All references to the national board are tied to voluntary provisions in CAREERS. CAREERS says that the Governors may take into account industry-recognized skill standards at least as challenging as those endorsed by the national board in identifying education training providers who are eligible to participate in a voucher system.

As my colleague indicates, we do need to continue this discussion. We will do that in conference. We really appreciate all of the gentlewoman's hard work and effort in bringing this to the floor, and I pledge to her that we will continue to work with her as we go to the conference.

Mrs. SEASTRAND. Mr. Chairman, I thank the gentleman from California [Mr. MCKEON].

AMENDMENT OFFERED BY MS. WOOLSEY

Ms. WOOLSEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. WOOLSEY:

Page 121, after line 2, insert the following:

Subtitle E—Authorizations

SEC. 261. AUTHORIZATION OF APPROPRIATIONS.

Notwithstanding section 4(a), there are authorized to be appropriated—

(1) for title II, $3,000,000,000 for fiscal year 1997 and such sums as may be necessary for each of the fiscal years 1998 through 2002 to carry out the programs under such title;

(2) for title III, $3,225,000,000 for fiscal year 1997 and such sums as may be necessary for each of the fiscal years 1998 through 2002 to carry out the programs under such title; and

(3) for subtitle A of title IV, $597,000,000 for fiscal year 1997 and such sums as may be necessary for each of the fiscal years 1998 through 2002 to carry out the programs under such subtitle.

Ms. WOOLSEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

There was no objection.

Ms. WOOLSEY. Mr. Chairman, it seems like we are on a roll here between the Republicans and the Democrats, so I thought I should take this opportunity for a very simple amendment.

Mr. Chairman, my amendment increases the amount of money that this bill authorizes for education, for job training, and literacy. It increases it to a level where the programs can actually be successful.

As my colleagues know, it is hard to believe that it was just last year when I convinced this body to approve a landmark resolution to increase our investment in education by 1 percent a year until the education budget accounts for 10 percent of our national budget, and that should be by the year 2002.

Well, guess what, folks? Times have changed. This bill does contain some important bipartisan initiatives that deserve to pass. But when it comes to funding, this bill sends us in the wrong direction. Unfortunately, the careers act actually cuts funds for job training programs for youths, for adults, and for adult literacy and education.

Careers consolidates 30 existing education and job training programs for youth into one block grant, and then cuts the funds for these programs by 20 percent. It combines all of the existing Federal employment and job training programs for adults, and reduces these funds by 20 percent. The adult education and literacy funds are cut by 10 percent.

Mr. Chairman, I find it truly ironic that on the same day our colleagues in the other body are voting on a bill to reform welfare, we are debating a bill that cuts funds for programs to get people off of welfare. It also makes it harder to prevent people from going on welfare in the first place, because it cuts programs that it train youth and workers for jobs that pay a liveable wage.

I have heard plenty of talk about ''changing the welfare system as we

know it.'' Well, my amendment gives this house the opportunity to ''put its money where its mouth is.'' My amendment increases funds for education and training support for in-school and out-of-school youth by less than a billion dollars. It also adds close to $1 billion to the adult employment and training grant. The adult literacy and education grant is increased by less than $300 million.

Mr. Chairman, these modest increases will ensure that more people get the skills they need to get off welfare—and, for heavens sake, it will help prevent people from having to go on welfare in the first place.

Mr. Chairman, there has always been a bipartisan commitment to education in this House. Let us continue that commitment to education and training by voting for my amendment to raise the authorization levels in the CAREERS Act.

Mr. Chairman, I yield back the balance of my time.

Mr. GOODLING. Mr. Chairman, I rise in opposition to the amendment offered by the gentlewoman from California [Ms. WOOLSEY].

Mr. Chairman, I am much too young to have the noose come down around by neck and string me up on a scaffold someplace, and if I were to accept this amendment, I am sure that would happen because the mandate from the Committee on the Budget is different.

What I will promise the gentlewoman from California [Ms. WOOLSEY] is to certainly do everything I can, serving on that conference, to make sure that we move to the Senate numbers. Their 602(b) of course is not as difficult as ours, and there is no one, probably, who feels more strongly that particularly the youth block certainly is in a great deal of need for an increased appropriation, and I will work in conference to move to their numbers, away from our numbers, but, as I said, I am too young to die.

Ms. WOOLSEY. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentlewoman from California.

Ms. WOOLSEY. Mr. Chairman, I say to the gentleman, ''I don't want you to die at all. I appreciate your consideration of this, and I know you will fight hard for it.''

Mr. Chairman, we were on a roll; I think it ended.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from California [Ms. WOOLSEY].

The amendment was rejected.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT:

Page 121, after line 2, insert the following:

SEC. 254. PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available under this Act should be American-made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available under this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, with all this talk of death and dying, I offer the standard Buy American amendment.

Mr. Chairman, we have Governors making decisions, chief officers of the State school boards making decisions, all kinds of decisions being made talking about welfare, talking about education. Mr. Chairman, if we pass my amendment, I do not know how much it is going to do, but maybe there will be a few more jobs, and people pay a few more taxes, and we will have a few more dollars to keep this train coming down the track.

Mr. Chairman, this language has been added to every appropriation bill and to every authorizing bill in the Congress. It does not reinvent the wheel, but it does, in fact, encourage, to the most practical extent possible, that when people, regardless of who has jurisdictional authority to do so, expend the hard-earned Federal taxpayer dollars, they try, wherever possible, to buy, within the limits of the law, American-made products, made by American hands, who get American paychecks, pay American taxes. This is no walk in the pork around here.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, we will be very happy to accept the amendment on this side.

Mr. Chairman, I would feel much better if at the end of paragraph 1 where the gentleman has ''American made'' he would include ''and manufactured and purchased in Ohio and Pennsylvania.''

Mr. TRAFICANT. Mr. Chairman, yes, I would accept the gentleman's tremendous amendment. His intellect amazes me.

Mr. GOODLING. Mr. Chairman, we accept the amendment.

Mr. TRAFICANT. I appreciate that and just take a couple minutes here.

Mr. Chairman, I want to commend the gentleman from Pennsylvania [Mr. GOODLING], who has handled this bill. There was a lot of contentious items coming in, and there has been an awful lot of headway that has been made, and I think the gentleman deserves a lot of credit for that. I really mean that.

Mr. CLAY. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Missouri, the distinguished ranking member, who as well in the past has been a supporter of Buy American and Made in America. Hopefully he will maintain his record.

Mr. CLAY. Mr. Chairman, I have agreed with the gentleman in all of the other instances where he introduced a Buy American amendment, and I do not see any reason why I would disagree with him now. I think he is the champion of all Americans when it comes to Buy American.

Mr. Chairman, I was not listening to at what point in the bill the gentleman offered his amendment. I was trying to get together the next amendment. But I am sure, if it is consistent with what he has been doing in the past, that I will be supportive.

Mr. TRAFICANT. Mr. Chairman, I appreciate that, and with that I say it would apply to the entire act, and with that I appreciate the support.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title II?

If not, the Clerk will designate title III.

The text of title III is as follows:

TITLE III—ADULT EMPLOYMENT AND TRAINING CONSOLIDATION GRANT

SEC. 301. PURPOSE.

The purpose of this title is to establish an efficient, high-quality, and equitable system of employment, job training, and related assistance designed to facilitate the transition of adults into productive, high skills, private sector employment.

Subtitle A—Adult Employment and Training Consolidation Grant

SEC. 311. AUTHORIZATION.

(a) IN GENERAL.—In the case of each State that in accordance with the requirements of section 102 submits to the Secretary of Labor (hereinafter in this title referred to as the ''Secretary'') a State workforce development and literacy plan under section 104, the Secretary shall provide a grant to the State for the purpose of providing employment, job training, and related assistance for adults in the State.

(b) AMOUNT.—The grant shall consist of the allotment determined for the State under section 312.

SEC. 312. ALLOTMENT AMONG STATES.

(a) IN GENERAL.—Of the amount appropriated pursuant to section 4(a)(2) to carry out this title for a fiscal year, the Secretary shall—

(1) allot 85 percent of such amounts in accordance with subsection (b); and

(2) reserve 15 percent for use under subtitle B.

(b) ALLOTMENT AMONG STATES.—

(1) RESERVATION FOR THE TERRITORIES.—Of the amount allotted under subsection (a)(1), the Secretary shall allot not more than one quarter of one percent among the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, and the Virgin Islands.

(2) STATES.—After determining the amount to be allotted under paragraph (1), the Secretary shall allot the remaining amount to the remaining States so that each State receives an amount that bears the same proportion to such remaining amount as—

(A) the amount allotted to each such State from allotments under sections 202 and 302 of the Job Training Partnership Act (29 U.S.C. 1602 and 1652) (as in effect before the date of the enactment of this Act) for fiscal year 1995; bears to

(B) the aggregate of the amounts allotted to all such States from allotments under such sections for such fiscal year.

(c) MINIMUM ALLOTMENT.—No State shall receive less than one-quarter of one percent of the amount available under this title for a fiscal year. Amounts necessary for increasing such payments to States to comply with the preceding sentence shall be obtained by ratably reducing the amounts to be paid to other States.

SEC. 313. ALLOCATION WITHIN STATES.

(a) RESERVATIONS FOR STATE ACTIVITIES.—

(1) IN GENERAL.—The Governor of the State shall reserve not more than 20 percent of the amount allotted to the State under section 312(b) for a fiscal year for statewide activities for employment, job training, and related assistance for adults.

(2) MANDATORY ACTIVITIES.—Such activities shall include—

(A) rapid response activities; and

(B) additional assistance to areas that experience disasters, mass layoffs or plant closings, or other events which precipitate substantial increases in the number of unemployed workers, to be expended in accordance with the local plan of the relevant workforce development area.

(3) DISCRETIONARY ACTIVITIES.—

(A) IN GENERAL.—Such activities may include—

(i) subject to subparagraph (B), administration by the State of programs under this subtitle;

(ii) capacity building and technical assistance to local workforce development areas, integrated career center systems, and service providers, including the development and training of staff and the development of exemplary program activities;

(iii) incentives for program coordination, performance awards, and research and demonstrations;

(iv) implementation of innovative incumbent worker training programs, which may include the establishment and implementation of an employer loan program to assist in skills upgrading (in accordance with the requirements of section 324);

(v) implementation of experimentation, model activities, pilot projects, and demonstration projects which further the goals and purposes of this Act;

(vi) additional assistance for the development and implementation of the integrated career center system of the State established in accordance with title I; and

(vii) support for a common management information system as described in section 109.

(B) LIMITATION.—Not more than 25 percent of the amount reserved by the Governor under paragraph (1) may be used for administration by the State of programs under this subtitle.

(b) WITHIN STATE ALLOCATION.—

(1) IN GENERAL.—The Governor of the State shall allocate the remainder of the amount allotted to the State under section 312(b) to workforce development areas designated under title I of this Act, in accordance with paragraphs (1) and (2) of such section, for the purpose of providing employment, job training, and related services for adults in accordance with section 315.

(2) WITHIN STATE FORMULA.—

(A) ESTABLISHMENT.—The Governor, through the collaborative process under section 103 of this Act, and after consultation with local chief elected officials in the local workforce development area, shall develop a formula for the allocation of 90 percent of the remainder of funds described in paragraph (1), to workforce development areas, taking into account—

(i) poverty rates within each local workforce development area, as determined by the State;

(ii) unemployment rates within each local workforce development area;

(iii) the proportion of the State's adult population residing within each local workforce development area; and

(iv) such other factors as considered appropriate.

(B) ADDITIONAL FACTORS.—In establishing such formula, the Governor shall ensure that funds are distributed equitably throughout the State, and that the factors described in subparagraph (A) do not receive disproportionate weighting.

(3) WITHIN STATE DISCRETIONARY ALLOCATION.—In addition, the Governor is authorized to allocate 10 percent of the remainder of funds described in paragraph (1) to workforce development areas designated under title I of this Act. Amounts may be allocated to such areas as determined by the Governor.

SEC. 314. ADDITIONAL STATE PLAN REQUIREMENTS.

The State shall, as part of the State workforce development and literacy plan under title I of this Act, submit to the Secretary the following additional information:

(1) A description of how the State will serve the employment and training needs of dislocated workers, economically disadvantaged individuals, older workers, individuals with disabilities, displaced homemakers, veterans, and individuals with multiple barriers to employment (as determined by the State), including individuals who are basic skills deficient.

(2) A description of how the State will provide rapid response assistance to workers experiencing dislocation as a result of mass layoffs and plant closings, either through the direct provision of services or through the transfer of funds to local workforce development areas for the provision of such services.

SEC. 315. USE OF AMOUNTS.

(a) CORE SERVICES.—Amounts allocated under section 313(b) shall be used to provide core services to adults through integrated career center systems in accordance with title I of this Act.

(b) INTENSIVE SERVICES.—

(1) IN GENERAL.—Amounts allocated under section 313(b) shall be used to provide intensive services to adults—

(A) who are unable to obtain employment through core services under subsection (a); and

(B) who have been determined to be in need of more intensive services in order to gain employment.

(2) DELIVERY OF SERVICES.—Such intensive services shall be provided—

(A) directly through integrated career center systems in accordance with title I of this Act; or

(B) through contracts through such systems with service providers approved by the local workforce development board, which may include private, for-profit providers.

(3) TYPES OF SERVICES.—Such intensive services may include the following:

(A) Comprehensive and specialized assessments of the skill levels and service needs of adults, which may include—

(i) diagnostic testing and other assessment tools; and

(ii) in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals.

(B) Development of an individual employment plan, to identify the employment goals, appropriate achievement objectives, and the appropriate combination of services for the adult to achieve the employment goal.

(C) Group counseling.

(D) Individual counseling and career planning.

(E) Case management for adults receiving education and training services under subsection (c) or supportive services under subsection (d).

(F) Follow-up counseling for adults placed in training or employment, for up to 1 year.

(c) EDUCATION AND TRAINING SERVICES.—

(1) IN GENERAL.—Amounts allocated under section 313(b) shall be used to provide education and training services to adults—

(A) who are unable to obtain employment through core services under subsection (a);

(B) who are in need of education and training services in order to gain employment as a result of determinations made through—

(i) preliminary assessments under section 107(f)(1)(B) of this Act; or

(ii) comprehensive and specialized assessments under subsection (b)(3)(A); and

(C) who are unable to obtain other grant assistance for such services, such as through Federal Pell Grants established under title IV of the Higher Education Act of 1965.

(2) DELIVERY OF SERVICES.—Such education and training services shall be provided through education and training providers certified in accordance with title I of this Act.

(3) TYPES OF SERVICES.—Such education and training services may include the following:

(A) Basic skills training, including remedial education, literacy training, and English literacy program instruction.

(B) Occupational skills training, including training for nontraditional employment.

(C) On-the-job training.

(D) Programs that combine workplace training with related instruction.

(E) Training programs operated by the private sector.

(F) Skill upgrading and retraining.

(G) Entrepreneurial training.

(H) Employability training to enhance basic workplace competencies.

(I) Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.

(4) ADDITIONAL REQUIREMENTS.—

(A) USE OF CAREER GRANTS.—

(i) IN GENERAL.—Except as provided in clause (ii) and clause (iii), education and training services under this section shall be provided through the use of career grants in accordance with this subsection, and shall be distributed to eligible individuals through integrated career centers or affiliated sites as described in section 107, and in accordance with section 108 regarding the identification of eligible education and training providers.

(ii) EXCEPTIONS.—Education and training services authorized under this title may be provided pursuant to a contract for services in lieu of a career grant if—

(I) such services are on-the-job training provided by an employer;

(II) the local workforce development board determines there are an insufficient number of certified providers of education and training services in the workforce development area to accomplish the purposes of a career grant system;

(III) the local workforce development board determines that the certified providers of education and training in the workforce development area are unable to provide effective services to special participant populations; or

(IV) the local workforce development board decides to enter into a direct training

contract with a community based organization serving special participant populations.

(iii) TRANSITION.—States may have up to three years from the date of enactment of this Act to fully implement the requirements of clause (i), but nothing shall prohibit states from beginning such implementation at an earlier date.

(B) LINKAGE TO OCCUPATIONS IN DEMAND.—Education and training services under this subsection shall be directly linked to occupations for which there is a demand in the local workforce development area, or in another area to which an adult receiving such services is willing to relocate.

(d) ADDITIONAL SERVICES.—

(1) SUPPORTIVE SERVICES.—Supportive services may be provided for individuals—

(A) who are receiving assistance under any of subsections (a) through (c); and

(B) who are unable to receive such services through other programs providing such services.

(2) NEEDS-RELATED PAYMENTS.—

(A) IN GENERAL.—Amounts allocated under section 313(b) may be used to provide needs-related payments to adults who are unemployed and do not qualify for (or have ceased to qualify for) unemployment compensation for the purpose of enabling such adults to participate in education and training programs under subsection (c).

(B) ADDITIONAL ELIGIBILITY REQUIREMENTS.—In addition to the requirements contained in subparagraph (A), a dislocated worker who has exhausted unemployment insurance benefits may be eligible to receive needs-related payments under this paragraph only if such worker was enrolled in education or training by the end of the 8th week of the worker's initial unemployment compensation benefit period, or, if later, by the end of the 8th week after the worker is informed that a short-term layoff will in fact exceed 6 months.

(e) PRIORITY.—Local workforce development boards shall establish a process through which priority is given to dislocated workers and economically disadvantaged individuals, for receipt of services provided under subsections (b) and (c), in the event that funds are limited within the workforce development area.

(f) PROHIBITION ON PRIVATE RIGHT OF ACTION.—Nothing in this section may be construed to establish a right for a participant to bring an action to obtain services under a program established under this section.

(g) LIMITATIONS ON USE OF FUNDS.—Not more than 10 percent of the funds provided under this title to a local workforce development board may be used for administrative purposes.

Subtitle B—Federal Programs

SEC. 321. NATIONAL DISCRETIONARY GRANTS.

(a) GRANTS FOR DISLOCATED WORKERS.—

(1) IN GENERAL.—From amounts reserved under section 312(a)(2) for any fiscal year, the Secretary is authorized to award national discretionary grants to address major economic dislocations that result from plant closures, base closures, or mass layoffs.

(2) APPLICATION.—To receive a grant under this section, an eligible entity shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary determines is appropriate.

(3) ELIGIBLE ENTITIES.—Grants under this section may be awarded to—

(A) the State;

(B) a local workforce development board administering assistance under this Act;

(C) employers and employer associations;

(D) worker-management transition assistance committees and other employer-employee entities;

(E) representatives of employees;

(F) community development corporations and community-based organizations; and

(G) industry consortia.

(b) INCENTIVE GRANTS.—From amounts reserved under section 312(a)(2) for any fiscal year, the Secretary may provide awards to States—

(1) to assist in the implementation of exemplary statewide workforce development system designs; and

(2) for the achievement of exceptional performance in the statewide workforce development system.

SEC. 322. DISASTER RELIEF EMPLOYMENT ASSISTANCE.

(a) IN GENERAL.—From amounts reserved under section 312(a)(2) for any fiscal year, the Secretary may provide assistance to the Governor of any State within which is located an area that has suffered an emergency or a major disaster as defined in paragraphs (1) and (2), respectively, of section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (referred to in this section as the ''disaster area'').

(b) USE OF FUNDS.—

(1) PROJECTS RESTRICTED TO DISASTER AREAS.—Funds made available under this section—

(A) shall be used exclusively to provide employment on projects to provide food, clothing, shelter, and other humanitarian assistance for disaster victims and on projects regarding demolition, cleanup, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within the disaster area; and

(B) may be expended through public and private agencies and organizations engaged in such projects.

(2) ELIGIBILITY REQUIREMENTS.—An individual shall be eligible to be offered disaster employment under this section if such individual is a dislocated worker or is temporarily or permanently laid off as a consequence of the disaster.

(3) LIMITATIONS ON DISASTER RELIEF EMPLOYMENT.—No individual shall be employed under this part for more than 6 months for work related to recovery from a single natural disaster.

SEC. 323. RESEARCH, DEMONSTRATION, EVALUATION, AND CAPACITY BUILDING.

(a) IN GENERAL.—From amounts reserved under section 312(a)(2) for any fiscal year, the Secretary is authorized to establish and carry out research, demonstration, and capacity building activities in accordance with this section.

(b) ACTIVITIES.—The Secretary is authorized to carry out the following activities under this section:

(1) RESEARCH.—The Secretary is authorized to conduct continuing research, which may include studies and other methods and techniques, that will aid in the solution of the employment and training problems of the United States. Such studies may include the extent to which individuals who participate in programs established under this title achieve self-sufficiency as a result of such participation, including the identification by State and locality, to the extent practicable, of indicators measuring such self-sufficiency.

(2) DEMONSTRATIONS.—The Secretary is authorized to conduct pilot and demonstration projects for the purpose of developing and improving methods and techniques for addressing employment and training needs which may include—

(A) projects conducted jointly with the Department of Defense to develop training programs utilizing computer-based and other innovative learning technologies. The Secretary may award grants and enter into contracts with appropriate entities to carry out such projects; and

(B) Projects which promote the use of distance learning, enabling students to take courses through the use of technology such as videos teleconferencing, computers, and the internet.

(3) EVALUATION.—

(A) ACTIVITIES.—

(i) JOB TRAINING ACTIVITIES.—The Secretary shall provide for the continuing evaluation of activities conducted under this Act, including the use of controlled experiments using experimental and control groups chosen by scientific random assignment, and at a minimum, determine whether job training and job placement programs effectively raise the hourly wage rates of individuals receiving training through such programs.

(ii) OTHER PROGRAMS.—The Secretary may conduct evaluations of other federally funded employment-related activities including programs administered under—

(I) the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

(II) the National Apprenticeship Act (29 U.S.C. 50 et seq.);

(III) the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.); and

(IV) the Federal unemployment insurance program under titles III, IX, and XII of the Social Security Act (42 U.S.C. 501 et seq., 1101 et seq., and 1321 et seq.).

(B) EFFECTIVENESS.—The Secretary shall evaluate the effectiveness of programs authorized under this Act with respect to—

(i) the statutory goals;

(ii) the performance standards established by the Secretary; and

(iii) the extent to which such programs enhance the employment and earnings of participants, reduce income support costs, improve the employment competencies of participants in comparison to comparable persons who did not participate in such programs, and to the extent feasible, increase the level of total employment over the level that would have existed in the absence of such programs.

(4) NATIONAL PARTNERSHIP AND SPECIAL TRAINING.—The Secretary may award special grants to eligible entities to carry out activities that are most appropriately administered at the national level. Such activities may include—

(A) partnerships with national organizations with special expertise in developing, organizing, and administering employment and training services at the national, State, and local levels, such as industry and labor associations, public interests groups, community-based organizations representative of groups that encounter special difficulties in the labor market, in education and training; and

(B) activities that—

(i) address industry-wide skill shortages;

(ii) meet training needs that are best addressed on a multistate basis;

(iii) further the goals of increasing the competitiveness of the United States labor force;

(iv) require technical expertise available at the national level to serve the needs of particular client groups that encounter significant barriers to employment and who the Secretary determines require special assistance; and

(v) promote and experiment with model activities, pilot projects, and demonstration projects which further the goals and purposes of this Act.

(5) CAPACITY BUILDING AND TECHNICAL ASSISTANCE.—

(A) IN GENERAL.—The Secretary shall provide, through grants, contracts, or other arrangements, staff training and technical assistance to States, local workforce development boards, career centers, communities, business and labor organizations, service

providers, industry consortia, and other entities, to enhance their capacity to develop and deliver effective employment and training services.

(B) ACTIVITIES.—The staff training and technical assistance authorized under subparagraph (A) may include—

(i) development of management information systems;

(ii) development and maintenance of a national capacity building, information and dissemination network; and

(iii) grants for the replication of successful employment and training models and activities.

SEC. 324. WORKFORCE SKILLS AND DEVELOPMENT LOANS.

(a) AUTHORIZATION.—

(1) IN GENERAL.—From amounts reserved under section 312(a)(2) for any fiscal year, the Secretary of Labor may use a portion of such amounts to provide grants to States to provide loans to eligible entities described in paragraph (2) to assist such entities in providing skills upgrading.

(2) ELIGIBLE ENTITIES.—An eligible entity described in this paragraph is—

(A) an employer;

(B) a representative of employees;

(C) a business association;

(D) a trade organization; or

(E) a consortium consisting of—

(i) more than 1 of the entities described in subparagraphs (A) through (D); or

(ii) an institution of higher education (as such term is defined in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088) which continues to meet the eligibility and certification requirements under section 498 of such Act) and 1 or more of the entities described in subparagraphs (A) through (D).

(b) APPLICATION.—The Secretary may provide a grant to a State under subsection (a) only if such State submits to the Secretary an application which contains such information as the Secretary may reasonably require.

(c) USE OF AMOUNTS.—A State shall use amounts received from a grant under subsection (a) to establish a loan guarantee program to assist eligible entities described in paragraph (2) of such subsection to provide skills upgrading. In carrying out such program, the State shall meet the following requirements:

(1) ESTABLISHMENT OF RESERVE FUND FOR LOAN GUARANTEES.—The State shall establish a reserve fund from amounts received from such grant for the purpose of making commitments to guarantee the payment of principal and interest on loans made by financial institutions to such eligible entities to provide skills upgrading.

(2) CRITERIA FOR LOAN GUARANTEES.—The State, in conjunction with appropriate financial institutions, shall establish and publish criteria for providing loan guarantees to eligible entities under the program, including criteria that provides for the following:

(A) A loan guarantee may be issued under the program only if, at the time such guarantee is issued the eligible entity agrees to pay as an insurance premium an amount equal to 1 percent of the principal received by such entity under the loan to the State's reserve fund.

(B)(i) Subject to clause (ii), the eligible entity will use amounts received from the loan to provide skills upgrading for mid- and lower-level employees, which may include—

(I) training in total quality management, statistical process control, production techniques, office automation, materials resource planning; and

(II) training to improve basic skills, including reading, writing, and arithmetic.

(ii) In providing such skills upgrading, the eligible entity shall give priority to employees who—

(I) directly produce or deliver goods or services; or

(II) are in danger of being terminated or laid off as a result of modernization in the workplace, corporate downsizing, foreign or domestic competition, or Federal policies adversely affecting 1 or more industries.

(C) Amounts from a loan shall not be used to pay the wages or other benefits of any employee receiving assistance under the program.

(3) PAYMENT BY STATE TO FINANCIAL INSTITUTIONS IN CASES OF DEFAULT.—

(A) IN GENERAL.—In accordance with criteria developed by the Secretary, the State shall make payments from the State's reserve fund to financial institutions that have provided loans to eligible entities that have defaulted on such loans for the purpose of reimbursing such institutions for the amount of principal and interest remaining unpaid to the institutions by reason of such default.

(B) NO FULL FAITH AND CREDIT OF THE UNITED STATES.—Loans provided by financial institutions to eligible entities under loan guarantee programs under this section shall not be obligations of, or guaranteed in any respect by, the United States.

(4) INTEREST FROM AMOUNTS IN RESERVE FUND.—Any interest earned from amounts in the State's reserve fund shall be credited to such fund.

(d) FEDERAL AND STATE SHARE.—

(1) FEDERAL SHARE.—The Federal share under this section may not exceed 50 percent of the total cost of the program established under subsection (c) for any fiscal year.

(2) STATE SHARE.—The State share shall be provided from non-Federal sources and may be in cash or in-kind, fairly evaluated.

SEC. 325. EMPLOYMENT, TRAINING, AND EDUCATION ASSISTANCE FOR NATIVE AMERICANS.

(a) AUTHORIZATION.—From amounts reserved under section 4(a)(2) for any fiscal year, there shall be reserved one quarter of one percent, or $85,000,000, whichever is less, to provide grants to, or enter into contracts or cooperative agreements with, Indian tribes and tribal organizations, tribally-controlled colleges, tribally-controlled postsecondary vocational institutions, Indian-controlled organizations serving off-reservation areas, Alaska Native village and regional entities serving areas as described in the Alaska Native Claims Settlement Act and Hawaiian Native-controlled organizations to provide employment, training, vocational rehabilitation, library services, and education assistance for Native Americans.

(b) TRANSFER OF AUTHORITY FOR VOCATIONAL EDUCATION ACTIVITIES.—In carrying out subsection (a), the Secretary of Labor may enter into an agreement with the Secretary of Education to carry out any portion of assistance under such subsection devoted to vocational educational activities, including support for the United Tribes Technical College and Crownpoint Institute of Technology.

(c) CONSOLIDATION OF FUNDS.—Entities receiving assistance under subsection (a) may consolidate such assistance with assistance received from related programs in accordance with the provisions of the Indian Employment, Training and Related Services Demonstration Act (Public Law 102–477).

(d) REGULATIONS.—The Secretary shall consult with Indian, Alaska Native and Hawaiian Native groups in establishing regulations to carry out this section, including performance standards for entities receiving assistance under subsection (a), taking into account the economic circumstances of such groups.

SEC. 326. EMPLOYMENT, TRAINING, AND EDUCATION ASSISTANCE FOR MIGRANT AND SEASONAL FARMWORKERS.

(a) AUTHORIZATION.—

(1) IN GENERAL.—From amounts reserved under section 4(a)(2) for any fiscal year, there shall be reserved one quarter of one percent, or $85,000,000, whichever is less, to provide grants to, or enter into contracts or cooperative agreements with, entities described in paragraph (2) to provide employment, training, and education assistance for migrant and seasonal farmworkers.

(2) ENTITIES DESCRIBED.—An entity described in this paragraph is an entity the Secretary determines to have the capacity to administer effectively a diversified workforce development program for migrant and seasonal farmworkers.

(b) USE OF AMOUNTS.—An entity shall use amounts received under subsection (a) to provide employment, training, educational development, high school equivalency, postsecondary education assistance, vocational rehabilitation, literacy, English as a second language, work-based education and development, worker safety training, employability enhancements, emergency or other disaster relief, housing, technical assistance, outreach, intake, assessment, follow-up, stipend support, supportive services, other needs-based assistance, self-employment and related business enterprise development education, and the management of a database on participating migrant and seasonal farmworkers.

(c) REGULATIONS.—The Secretary shall consult with seasonal and migrant farmworker groups in establishing regulations to carry out this section, including performance standards for entities receiving assistance under subsection (a)(2), taking into account the economic circumstances of such groups.

The CHAIRMAN. Are there amendments to title III?

If not, the Clerk will designate title IV.

The text of title IV is as follows:

TITLE IV—ADULT EDUCATION AND FAMILY LITERACY CONSOLIDATION GRANT AND LIBRARY SERVICES AND TECHNOLOGY CONSOLIDATION GRANT

SEC. 401. FINDINGS.

The Congress finds as follows:

(1) According to the 1990 census, 21 percent of our Nation's adults (more than 38 million persons) lack a high school credential or are limited English proficient.

(2) The National Adult Literacy Survey, conducted under the Adult Education Act, found that 20 percent of all adults in the United States, or about 40 million people, have minimal levels of literacy skills and that the lack of such skills is related to unemployment, low wages, and fewer weeks worked.

(3) The success of State efforts to reform and improve public education are dependent on the ability of the United States to break intergenerational cycles of illiteracy and inadequate education by ensuring that parents possess a strong educational foundation and, as the first and most continuous teachers of their children, model for, and instill in, their children a commitment to family literacy and life-long learning.

(4) Generations of immigrants have contributed to our communities and our economy, but for them to continue to do so given recent technologies and the competitive global economy, they must master English as rapidly as possible.

(5) Studies have found that incarcerated adults are twice as likely as nonincarcerated adults to lack a good education and that such lack is a significant statistical indicator of recidivism.

(6) Certain short-term and long-term goals of the Nation may not be met unless the United States improves its current system of adult education and life-long learning through Federal leadership.

SEC. 402. DEFINITIONS.

As used in this title:

(1) CORRECTIONAL EDUCATION AGENCY.—The term ''correctional education agency'' means an entity that provides programs for criminal offenders in corrections institutions and for other institutionalized individuals which include academic programs for basic education, special education, bilingual or English language instruction, vocational training, library development, corrections education programs, guidance and counseling, and other supportive services for criminal offenders which may emphasize coordination of educational services with educational institutions, community-based organizations of demonstrative effectiveness, and the private sector, designed to provide education and training.

(2) EDUCATIONALLY DISADVANTAGED ADULT.—The term ''educationally disadvantaged adult'' means an adult who—

(A) demonstrates basic skills equivalent to or below that of students at the fifth grade level; or

(B) has been placed in the lowest or beginning level of an adult education program when that program does not use grade level equivalencies as a measure of students' basic skills.

(3) FAMILY LITERACY SERVICES.—The term ''family literacy services'' means services that are of sufficient intensity in terms of hours, and of sufficient duration, to make sustainable changes in a family and that integrate all of the following activities:

(A) Interactive literacy activities between parents and their children.

(B) Training for parents on how to be their children's primary teacher and full partners in the education of their children.

(C) Parent literacy training.

(D) An age-appropriate education program for children.

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Education.

Subtitle A—Adult Education and Family Literacy Consolidation Grant

SEC. 411. PURPOSES.

The purposes of this subtitle are to assist States to provide—

(1) to adults, the basic educational skills necessary for employment and self-sufficiency;

(2) to adults who are parents, the educational skills necessary to be full partners in the educational development of their children;

(3) to adults, the basic English language skills necessary to participate in the civic, social, and economic life of the United States; and

(4) to adults, the opportunity to attain a high school degree or its equivalent in order to permit them to pursue further education and training or improve their family and work situations.

CHAPTER 1—FUNDING

SEC. 421. RESERVATIONS FROM AMOUNTS APPROPRIATED.

(a) NATIONAL INSTITUTE FOR LITERACY.—For any fiscal year, the Secretary shall reserve $4,500,000 of the amount appropriated under section 4(a)(3) to carry out the activities of the National Institute for Literacy described in section 441.

(b) NATIONAL LEADERSHIP ACTIVITIES.—For any fiscal year, the Secretary shall reserve $4,500,000 of the amount appropriated under section 4(a)(3) to establish and carry out the program of national leadership and evaluation activities described in section 442.

SEC. 422. ALLOTMENT.

(a) INITIAL ALLOTMENT.—From the sums available for the purpose of making grants under chapter 2 for any fiscal year, the Secretary shall allot—

(1) $100,000 each to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Virgin Islands; and

(2) $250,000 to each of the other States.

(b) ADDITIONAL ALLOTMENT.—

(1) IN GENERAL.—From the remainder of the sums described in subsection (a) after the application of the subsection, the Secretary shall allot to each State an amount which bears the same ratio to such remainder as the number of qualifying adults in the State bears to the number of such adults in all States.

(2) QUALIFYING ADULT.—For purposes of this subsection, the term ''qualifying adult'' means an adult who—

(A) is at least 16 years of age, but less than 61 years of age;

(B) is beyond the age of compulsory school attendance under State law;

(C) does not have a certificate of graduation from a school providing secondary education (or its equivalent); and

(D) is not currently enrolled in elementary or secondary school.

CHAPTER 2—GRANTS TO STATES

SEC. 431. REQUIREMENT TO MAKE GRANTS.

For fiscal year 1997 and subsequent fiscal years, the Secretary shall make a grant to a State in an amount equal to the initial and additional allotments of the State for the year if the State—

(1) has satisfied the requirements of title I and section 433(a)(1);

(2) agrees not to expend the grant for any purpose other than in accordance with section 432;

(3) agrees to satisfy the grant requirements in section 433(a)(2) and 433(b); and

(4) agrees not to expend the grant for the purpose of supporting or providing programs, services, or activities for individuals who are not adults, except if such programs, services, or activities are related to family literacy services.

SEC. 432. USES OF FUNDS.

(a) STATE USES OF FUNDS.—

(1) GRANTS TO SERVE TARGET POPULATIONS.—

(A) IN GENERAL.—Of the funds paid to a State under this title for fiscal year 1998 and subsequent fiscal years, 3 percent shall be distributed as performance grants made by the State on a competitive basis, and consistent with subsection (b) and section 433(b)(2), to local service providers that have provided, during the immediately preceding fiscal year, adult education or family literacy services to the target populations described in subparagraph (C).

(B) LOCAL SERVICE PROVIDERS.—The local service providers referred to in subparagraph (A) may include the following:

(i) Local educational agencies.

(ii) Correctional educational agencies.

(iii) Community-based organizations.

(iv) Public or private nonprofit agencies.

(v) Institutions of higher education.

(vi) Libraries.

(vii) Other institutions that the State determines to have the ability to provide literacy services to adults and families.

(C) TARGET POPULATIONS.—The target populations referred to in subparagraph (A) are the following:

(i) Adults with more than one barrier to self-sufficiency, such as being unemployed or an educationally disadvantaged adult.

(ii) Families on public assistance (as determined by the State).

(iii) Parents who are educationally disadvantaged adults and who have a child who is less than 8 years of age.

(iv) Adults who are individuals with disabilities or who have similar special needs.

(2) GRANTS TO LOCAL SERVICE PROVIDERS.—Of the funds paid to a State under this subtitle for any fiscal year that remain after the application of paragraph (1), at least 85 percent shall be distributed as grants made by the State on a competitive basis, and consistent with subsection (b) and section 433(b)(2), to local service providers to establish, conduct, or expand programs, services, or activities to achieve a purpose of this subtitle. Such local service providers may include the local service providers described in paragraph (1)(B).

(3) OTHER STATE ACTIVITIES.—A State may use not more than 12 percent of the funds paid to the State under this subtitle for any fiscal year that remain after the application of paragraph (1) for one or more of the following purposes:

(A) The establishment or operation of professional development programs to improve the quality of instruction provided in local adult education and literacy programs, including instruction provided by volunteers.

(B) The provision of technical assistance to local service providers.

(C) The provision of technology assistance to local service providers to enable them to improve the quality of their programs, services, and activities that achieve a purpose of this subtitle, including—

(i) providing hardware and software;

(ii) paying for service connection fees associated with gaining access to computerized databases; and

(iii) upgrading the technological capabilities of local service providers to improve the quality of their services and to assist them in providing services on a flexible schedule that meets the needs of diverse populations.

(D) The support of State or regional networks of literacy resource centers that—

(i) enhance the coordination of literacy services across public and private programs and State agencies;

(ii) enhance the capacity of the State and local service providers to provide literacy services through the diffusion and adoption of state-of-the-art teaching methods and technologies;

(iii) provide linkages between the National Institute for Literacy established under section 441 and local service providers for the sharing of literacy information, research, and resources;

(iv) encourage government and industry partnerships; and

(v) provide training and technical assistance to literacy instructors in reading instruction, the use of state-of-the-art methodologies, instructional materials, and technologies, and professional development.

(E) Monitoring and evaluating the quality of, and the improvement in, services and activities conducted with Federal financial assistance under this subtitle, including carrying out section 433(a)(2).

(F) The support of a common management information system as described in section 109.

(G) Carrying out other activities of statewide significance that promote the purposes of this Act.

(4) ADMINISTRATIVE EXPENSES.—For any fiscal year, a State may use not more than 3 percent of the funds paid to the State under this subtitle that remain after the application of paragraph (1) or $50,000, whichever is greater, for—

(A) planning, administration, and interagency coordination associated with a grant under this subtitle; and

(B) support for integrated career center systems described in section 107.

(b) LOCAL USES OF FUNDS.—A State shall require that a local service provider that receives a grant from the State under paragraph (1) or (2) of subsection (a) use the grant to establish or operate one or more programs that provide instruction or services within one or more of the following categories:

(1) Adult basic education that is designed for an adult who—

(A) has minimal competence in reading, writing, or computation;

(B) is not sufficiently competent in reading, writing, or computation to meet the requirements of adult life in the United States; or

(C) is not sufficiently competent in speaking, reading, or writing the English language to obtain employment commensurate with the adult's intellectual abilities.

(2) Adult secondary education that is designed for an adult who is literate and can function in everyday life, but who—

(A) has not acquired basic educational skills, including reading, writing, and computation; or

(B) does not have a certificate of graduation from a school providing education to students in grade 12, or its equivalent.

(3) English literacy instruction that is designed for an adult—

(A) who—

(i) has limited ability in speaking, reading, writing, or understanding the English language and whose native language is a language other than English; or

(ii) lives in a family or community environment where a language other than English is the dominant language; and

(B) who, by reason of a condition described in subparagraph (A), has sufficient difficulty reading, writing, or understanding the English language that the adult is unable—

(i) to learn successfully in a classroom where the language of instruction is English; or

(ii) to participate fully in the society of the United States.

(4) Family literacy services.

(c) AUTHORIZATION TO RECEIVE PAYMENTS FROM OTHER PROGRAMS.—A local service provider that receives a grant from a State under paragraph (1) or (2) of subsection (a), and that provides adult education and literacy services to an adult who was referred to the provider by a program supported under title II or III, may receive payment for the services from the program, either in the form of a career grant or by some other means.

SEC. 433. ADDITIONAL GRANT REQUIREMENTS.

(a) GOALS, PROGRESS INDICATORS, PERFORMANCE MEASURES.—

(1) PLANNING REQUIREMENTS.—A State that desires to receive a grant under this subtitle shall accomplish the following:

(A) Establish, through the collaborative process described in section 103, measurable goals for improving literacy levels, retention in literacy programs, and long-term learning gains of individuals in the State.

(B) Based on such goals and the performance measures described in section 110(f), establish, through such collaborative process, progress indicators to be used to evaluate the performance of local service providers receiving a grant under paragraph (1) or (2) of section 432(a).

(C) Describe such goals and progress indicators in the State workforce development and literacy plan submitted to the Secretary under section 104.

(2) IMPLEMENTATION REQUIREMENTS.—A State that receives a grant under this subtitle shall accomplish the following:

(A) With respect to each local service provider receiving a grant under paragraph (1) or (2) of section 432(a), based on the goals and progress indicators established under paragraph (1), measure the performance measures described in section 110(f) and use the data produced by such measurement to improve the quality of services provided to program participants or service recipients.

(B) Beginning on the date that is 2 years after the first date that a local service provider receives a grant under paragraph (1) or (2) of section 432(a), annually assess the degree to which the provider is meeting or exceeding the progress indicators applicable to the provider.

(C) Annually report to the Secretary on the performance measures described in section 434 for each category described in such section.

(b) OTHER REQUIREMENTS.—A State that receives a grant under this subtitle shall ensure the following:

(1) EXPENDITURES OF NON-FEDERAL FUNDS.—For any fiscal year for which a grant is made to the State under this subtitle, the State shall expend, on programs and activities relating to adult education and family literacy services, an amount, derived from sources other than the Federal Government, equal to 25 percent of the State's initial and additional allotments for the year.

(2) PRIORITY FOR PLANNING WITH BOARDS AND SYSTEMS.—In awarding grants to local service providers under paragraph (1) or (2) of section 432(a), the State shall give priority to providers that demonstrate joint planning with local workforce development boards and integrated career center systems.

(3) EQUITABLE ACCESS.—Local educational agencies, public or private nonprofit agencies, community-based organizations, correctional education agencies, institutions of higher education, libraries, and institutions which serve educationally disadvantaged adults shall be provided direct and equitable access to Federal funds provided under this subtitle in accordance with this subtitle.

(4) PAYMENTS BY LOCAL WORKFORCE DEVELOPMENT BOARDS TO LOCAL SERVICE PROVIDERS.—A local service provider that receives a grant from a State under paragraph (1) or (2) of section 432(a) may negotiate with a local workforce development board with respect to receipt of payments for adult education and literacy services provided by the provider to adults referred to the provider by a program supported under title II or III.

CHAPTER 3—NATIONAL PROGRAMS

SEC. 441. NATIONAL INSTITUTE FOR LITERACY.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There shall be established a National Institute for Literacy (in this section referred to as the ''Institute''). The Institute shall be administered under the terms of an interagency agreement entered into by the Secretary of Education with the Secretary of Labor and the Secretary of Health and Human Services (in this section referred to as the ''Interagency Group''). The Secretary may include in the Institute any research and development center, institute, or clearinghouse established within the Department of Education whose purpose is determined by the Secretary to be related to the purpose of the Institute.

(2) BOARD RECOMMENDATIONS.—The Interagency Group shall consider the recommendations of the National Institute for Literacy Advisory Board (in this section referred to as the ''Board'') established under subsection (d) in planning the goals of the Institute and in the implementation of any programs to achieve such goals.

(3) DAILY OPERATIONS.—The daily operations of the Institute shall be carried out by the Director of the Institute appointed under subsection (g).

(b) DUTIES.—

(1) IN GENERAL.—The Institute shall—

(A) provide national leadership for the improvement and expansion of the system for delivery of literacy services;

(B) coordinate the delivery of such services;

(C) support the creation of new methods of offering improved services;

(D) serve as a national resource for adult education and family literacy services by providing to the public the best and most current information available on the subjects; and

(E) assist States in developing levels of performance.

(2) AUTHORIZED ACTIVITIES.—In order to carry out the duties described in paragraph (1), the Institute may—

(A) establish a national electronic database of information that includes—

(i) information on—

(I) effective practices in the provision of literacy and basic skills instruction;

(II) public and private literacy and basic skills programs and Federal, State, and local policies affecting the provision of literacy services at the national, State, and local levels; and

(III) technical assistance, meetings, conferences, and other opportunities that lead to the improvement of literacy and basic skills services; and

(ii) a communication network for literacy programs, providers, and students;

(B) coordinate support for the provision of literacy and basic skills services across Federal agencies and at the State and local level;

(C) coordinate the support of research and development on literacy and basic skills in families and adults across Federal agencies and carry out basic and applied research and development on topics that are not being investigated by other organizations or agencies;

(D) collect and disseminate information on methods of advancing literacy that show promise of success; and

(E) assist in the development of policy with respect to literacy and basic skills.

(3) GRANTS, CONTRACTS, AND AGREEMENTS.—The Institute may enter into contracts or cooperative agreements with, or make grants to, individuals, public or private institutions, agencies, organizations, or consortia of such institutions, agencies, or organizations to carry out the activities of the Institute. Such grants, contracts, or agreements shall be subject to the laws and regulations that generally apply to grants, contracts, or agreements entered into by Federal agencies.

(c) LITERACY LEADERSHIP.—

(1) FELLOWSHIPS.—The Institute, in consultation with the Board, may award fellowships, with such stipends and allowances as the Director considers necessary, to outstanding individuals pursuing careers in adult education or literacy in the areas of instruction, management, research, or innovation.

(2) USE OF FELLOWSHIPS.—Fellowships awarded under this subsection shall be used, under the auspices of the Institute, to engage in research, education, training, technical assistance, or other activities to advance the field of adult education or literacy, including the training of volunteer literacy providers at the national, State, or local level.

(3) INTERNS AND VOLUNTEERS.—The Institute, in consultation with the Board, may award paid and unpaid internships to individuals seeking to assist the Institute in carrying out its mission. Notwithstanding section 1342 of title 31, United States Code, the Institute may accept and use voluntary and

uncompensated services as the Institute determines necessary.

(d) NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—There shall be a National Institute for Literacy Advisory Board. The Board shall consist of 10 individuals appointed by the President with the advice and consent of the Senate from individuals who—

(i) are not otherwise officers or employees of the Federal Government; and

(ii) are representative of entities or groups described in subparagraph (B).

(B) ENTITIES OR GROUPS DESCRIBED.—The entities or groups referred to in subparagraph (A) are—

(i) literacy organizations and providers of literacy services, including—

(I) nonprofit providers of literacy services;

(II) providers of programs and services involving English language instruction; and

(III) providers of services receiving assistance under this subtitle;

(ii) businesses that have demonstrated interest in literacy programs;

(iii) literacy students;

(iv) experts in the area of literacy research;

(v) State and local governments; and

(vi) representatives of employees.

(2) DUTIES.—The Board shall—

(A) make recommendations concerning the appointment of the Director and staff of the Institute;

(B) provide independent advice on the operation of the Institute; and

(C) receive reports from the Interagency Group and the Director.

(3) TERMS.—

(A) IN GENERAL.—Each member of the Board shall be appointed for a term of 3 years, except that the initial terms for members may be 1, 2, or 3 years in order to establish a rotation in which ⅓ of the members are selected each year.

(B) VACANCY APPOINTMENTS.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that members' term until a successor has taken office. A vacancy in the Board shall be filled in the manner in which the original appointment was made. A vacancy in the Board shall not affect the powers of the Board.

(4) QUORUM.—A majority of the members of the Board shall constitute a quorum but a lesser number may hold hearings. Any recommendation may be passed only by a majority of its members present.

(5) CHAIRPERSON AND VICE CHAIRPERSON.—The chairperson and vice chairperson of the Board shall be elected by the members. The term of office of the chairperson and vice chairperson shall be 1 year.

(6) MEETINGS.—The Board shall meet at the call of the chairperson or a majority of its members.

(e) GIFTS, BEQUESTS, AND DEVISES.—The Institute may accept, administer, and use gifts or donations of services, money, or property, both real and personal.

(f) MAILS.—The Board and the Institute may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(g) STAFF.—The Interagency Group, after considering recommendations made by the Board, shall appoint and fix the pay of a Director.

(h) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Institute may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the maximum rate payable under section 5376 of title 5, United States Code.

(i) EXPERTS AND CONSULTANTS.—The Board and the Institute may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(j) REPORT.—The Institute shall submit a biennial report to the Interagency Group and the Congress.

SEC. 442. NATIONAL LEADERSHIP ACTIVITIES.

(a) IN GENERAL.—The Secretary shall establish and carry out a program of national leadership and evaluation activities to enhance the quality of adult education and family literacy programs nationwide.

(b) REQUIRED ACTIVITY.—

(1) IN GENERAL.—The program of national leadership and evaluation activities under subsection (a) shall include a national evaluation, conducted by the Secretary, of the programs and activities carried out by States and local service providers with Federal funds received under this subtitle. Such evaluation shall include information on the following:

(A) The manner in which States and local service providers use Federal funds, including the manner in which States allocate such funds among such providers.

(B) The manner in which States establish goals and performance standards and use such goals and standards to manage and improve programs.

(C) The effectiveness of the funds used under subparagraphs (B) and (C) of section 432(a)(3).

(D) The manner in which economically disadvantaged individuals and educationally disadvantaged adults are being served by States and local service providers.

(E) The coordination between programs and activities carried out with Federal funds received under titles II and III and programs and activities carried out with Federal funds received under this subtitle.

(F) The percentage of individuals receiving a service from an integrated career center system who are referred by such system to a local service provider providing adult education or literacy services.

(2) REPORT.—Not later than September 30, 2001, the Secretary shall provide to the Congress and publicly publish the results of the evaluation conducted under paragraph (1).

(c) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—The program of national leadership and evaluation activities under subsection (a) may include the following:

(A) Assisting States in developing levels of performance.

(B) Research and development.

(C) Demonstration of model and innovative programs.

(D) Evaluations, including independent evaluations of adult education and family literacy programs carried out with financial assistance received pursuant to this subtitle.

(E) Data collection.

(F) Professional development.

(G) Technical assistance to States and local service providers receiving Federal financial assistance pursuant to this subtitle.

(H) Making grants to State or regional networks of literacy resource centers described in section 432(a)(3)(D).

(I) Other activities to enhance the quality of adult education and family literacy programs nationwide.

(2) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The Secretary may carry out the activities described in paragraph (1) directly or through grants, contracts, and cooperative agreements.

Subtitle B—Library Services and Technology Consolidation Grant

SEC. 451. PURPOSES.

The purposes of this subtitle are—

(1) to consolidate Federal library service programs;

(2) to improve public access to information through electronic networks; and

(3) to provide linkages among and between libraries and integrated career center systems.

SEC. 452. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this subtitle $110,000,000 for each of the fiscal years 1997 through 2002.

(b) ADVANCE NOTICE OF FUNDING.—For the purpose of affording adequate notice of funding available under this subtitle, an appropriation to carry out this subtitle is authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which such appropriation is first available for obligation.

SEC. 453. ALLOTMENTS.

(a) INITIAL ALLOTMENTS.—

(1) IN GENERAL.—From the sums appropriated under section 452 for any fiscal year, the Secretary shall allot—

(A) $40,000 each to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Virgin Islands; and

(B) $200,000 to each of the other States.

(2) RATABLE REDUCTION.—If the sums appropriated under section 452 for any fiscal year are insufficient to pay all of the allotments under paragraph (1), each such allotment shall be ratably reduced.

(b) ADDITIONAL ALLOTMENTS.—

(1) IN GENERAL.—From the remainder of the sums appropriated under section 452 for any fiscal year after the application of subsection (a), the Secretary shall allot to each State an amount which bears the same ratio to such remainder as the population of the State bears to the population of all States.

(2) DETERMINATION OF POPULATION OF STATES.—For the purpose of this subsection, the population of each State, and the total population of all States, shall be determined by the Secretary on the basis of the most recent census data available to the Secretary, and the Secretary shall use for such purpose, if available, the annual interim current census data produced by the Secretary of Commerce pursuant to section 181 of title 13, United States Code.

SEC. 454. GRANTS TO STATES.

(a) IN GENERAL.—The Secretary shall make a grant for a fiscal year to a State if the State—

(1) has submitted to the Secretary for the year an annual application that has been approved by the Secretary under section 456; and

(2) has entered into a written agreement with the Secretary that—

(A) the State will provide 100 percent of the funds paid to the State under this subtitle for the year to the State library administrative agency for the State;

(B) such agency will be required to use such funds to carry out activities that—

(i) are described in such annual application;

(ii) achieve the purposes of this subtitle; and

(iii) satisfy the requirements of section 455;

(C) there will be available from State and local sources for expenditure by such agency to carry out such activities an amount that equals or exceeds 25 percent of the total cost (as determined by the Secretary) of carrying out such activities for the year; and

(D) such agency has the fiscal and legal authority and capability to administer all aspects of such activities.

(b) AMOUNT OF GRANTS.—The amount of a grant to a State under subsection (a) for a fiscal year shall equal the lesser of the following:

(1) The sum of the initial and additional allotments of the State for the year.

(2) 75 percent of the total cost (as determined by the Secretary) of carrying out the activities described in subsection (a)(2)(B) for the year.

SEC. 455. USES OF FUNDS.

(a) IN GENERAL.—Of the funds provided to a State library administrative agency under section 454(a)(2)(A), the agency shall expend (either directly or through subgrants or cooperative agreements) at least 97 percent for one or more of the following purposes:

(1) Electronically connecting libraries with integrated career center systems designated or established under section 107 and local service providers receiving grants under paragraph (1) or (2) of section 432(a).

(2) Establishing or enhancing linkages among libraries.

(3) Assisting libraries in accessing information through electronic networks.

(4) Encouraging libraries in different Federal, State, and local jurisdictions, and different types of libraries, to establish consortia and share resources.

(5) Paying costs for libraries to acquire or share computer systems and telecommunications technologies.

(6) Improving library and information services for individuals who have difficulty using a library or who need special library materials or services, including individuals under the age of 18.

(b) ADMINISTRATIVE EXPENSES.—In any fiscal year, a State library administrative agency may use not more than 3 percent of the funds provided to the agency under section 454(a)(2)(A) for planning, administration, evaluations, and interagency coordination associated with a grant under this subtitle.

SEC. 456. ANNUAL APPLICATIONS.

(a) SUBMISSION.—A State that desires to receive a grant under this subtitle for a fiscal year shall submit to the Secretary, in such form and manner and before such deadline as the Secretary shall specify in regulations, an application for such year. Such application shall—

(1) establish goals, and specify priorities, for the State consistent with the purposes of this subtitle;

(2) describe activities that are consistent with such goals and priorities, the purposes of this subtitle, and the requirements of section 455 that the State library administrative agency will carry out during such year using such grant;

(3) describe the procedures that such agency will use to carry out such activities;

(4) describe the methodology that such agency will use to evaluate the success of such activities in achieving such goals and meeting such priorities;

(5) describe procedures that such agency will use to involve libraries and library users throughout the State in policy decisions regarding implementation of this subtitle; and

(6) provide assurances satisfactory to the Secretary that such agency will make such reports, in such form and containing such information, as the Secretary may reasonably require to carry out this subtitle and to determine the extent to which funds provided under this subtitle have been effective in carrying out its purposes.

(b) APPROVAL.—

(1) IN GENERAL.—The Secretary shall approve each application submitted under subsection (a) that satisfies the requirements of the subsection.

(2) RIGHTS OF STATES UPON DISAPPROVAL.—If the Secretary determines that an application submitted by a State under subsection (a) does not satisfy the requirements of such subsection, the Secretary shall—

(A) immediately notify the State of such determination and the reasons for such determination; and

(B) offer the State an opportunity to revise its application to correct any deficiencies.

The CHAIRMAN. Are there amendments to title IV?

If not, the Clerk will designate title V.

The text of title V is as follows:

TITLE V—AMENDMENTS TO REHABILITATION ACT OF 1973

Subtitle A—Vocational Rehabilitation Consolidation Grant

CHAPTER 1—TRANSITION PERIOD

SEC. 501. TRANSITION.

With respect to the amendment made by section 511(a)(4) to title I of the Rehabilitation Act of 1973, the Secretary of Education, acting through the Commissioner of the Rehabilitation Services Administration, shall administer the amendment in accordance with the following:

(1) During fiscal year 1996, the Secretary shall develop administrative policies for implementing the amendment.

(2) During the fiscal years 1997 and 1998, the Secretary shall begin implementing the amendment in accordance with paragraph (4).

(3) The Secretary shall ensure that, by the first day of fiscal year 1999, the amendment is fully implemented.

(4) For purposes of paragraph (2), the Secretary shall ensure that, before the first day of fiscal year 1999, the following requirements, administered as conditions on the receipt of grants under such title, have been met:

(A) The States have complied with section 103(b)(4) of such title (as amended by section 511) regarding the participation of certain providers.

(B) The States have established policies and made arrangements for the operation of the system of career grants described in section 103(c) of such title, including with respect to the reimbursement of providers.

(C) The States have established policies and made arrangements under section 103(b)(12) of such title regarding the training of the management and staff of integrated career center systems with respect to individuals with disabilities.

(D) The States have established policies and made arrangements under section 104 of such title regarding the establishment of such centers, including providing for the significant participation of community-based providers in the program carried out by the State pursuant to such title.

(E) Such other requirements under the amendment as the Secretary determines to be appropriate.

(5)(A) Notwithstanding the amendment, during the fiscal years 1996 through 1998, the provisions of title I of the Rehabilitation Act of 1973 that were in effect on the day before the date of the enactment of this Act continue to be in effect, subject to paragraphs (1) through (4). In implementing the amendment, the Secretary shall seek to avoid unnecessarily disrupting the provision of services under such title to individuals who, as of the date of the enactment of this Act, were receiving services pursuant to an individualized plan under such title.

(B) On and after the first day of fiscal year 1999, the provisions referred to in the first sentence of subparagraph (A) do not have any legal effect.

CHAPTER 2—REVISION OF TITLE I OF REHABILITATION ACT OF 1973

SEC. 511. REVISION OF TITLE I.

(a) IN GENERAL.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended—

(1) by transferring section 112 from the current placement of the section;

(2) by redesignating such section as section 510;

(3) by adding such section at the end of title V; and

(4) by amending title I to read as follows:

"TITLE I—VOCATIONAL REHABILITATION SERVICES

"SEC. 100. PURPOSE.

''The purpose of this title is to assist States in making available to individuals with disabilities a program of employment, training, and rehabilitation services that is consistent with their strengths, resources, priorities, concerns, abilities, and capabilities; that maximizes individuals' control over their vocational and career choices; and that is in accordance with the goal of assuring equality of opportunity, full participation, independent living, and economic self-sufficiency for such individuals.

"SEC. 101. FORMULA GRANTS.

''(a) IN GENERAL.—

''(1) FORMULA GRANTS.—In the case of each State that submits to the Secretary a workforce development and literacy plan for fiscal year 1999 or any subsequent fiscal year that meets the requirement of section 104 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, the Secretary shall make a grant for the year to the State as the Federal share of carrying out the purposes specified in this title. The grant shall consist of the allotment determined for the State under section 107.

''(2) CONDITIONS FOR GRANT.—A State may receive a grant under paragraph (1) for a fiscal year only if the State meets the conditions described in this title for the State for the fiscal year.

''(b) ADMINISTRATOR OF FEDERAL PROGRAM.—The Secretary shall carry out this title acting through the Commissioner of the Rehabilitation Services Administration, except as indicated otherwise.

''(c) RULE OF CONSTRUCTION.—The purpose specified in section 100 shall be carried out only in accordance with the other provisions of this title.

''(d) FUNDING.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this title, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1999 through 2002, except that the amount to be appropriated for a fiscal year shall not be less than the amount of the appropriation under this subsection for the immediately preceding fiscal year, plus the amount of the Consumer Price Index addition determined under paragraph (2) for the immediately preceding fiscal year.

''(2) ADJUSTMENTS PURSUANT TO CONSUMER PRICE INDEX.—

''(A) Not later than November 15 of each fiscal year, the Secretary of Labor shall publish in the Federal Register the percentage change in the Consumer Price Index published for October of the preceding fiscal year and October of the fiscal year in which such publication is made.

''(B) If in any fiscal year the percentage change published under subparagraph (A) indicates an increase in the Consumer Price Index, then the amount to be appropriated under paragraph (1) for the subsequent fiscal

year shall be at least the amount appropriated for the fiscal year in which the publication is made under subparagraph (A) increased by such percentage change.

''(C) If in any fiscal year the percentage change published under subparagraph (A) does not indicate an increase in the Consumer Price Index, then the amount to be appropriated under paragraph (1) for the subsequent fiscal year shall be at least the amount appropriated for the fiscal year in which the publication is made under subparagraph (A).

''(D) For purposes of this paragraph, the term 'Consumer Price Index' means the Consumer Price Index for All Urban Consumers, published monthly by the Bureau of Labor Statistics.

''(3) AUTOMATIC EXTENSION OF AUTHORIZATION.—

''(A) Unless, in the regular session that ends prior to the beginning of the last fiscal year for which an authorization of appropriations is provided in paragraph (1), legislation has been enacted that has the effect of extending such authorization, such authorization is automatically extended for one additional year.

''(B) The amount authorized to be appropriated for the additional fiscal year described in subparagraph (A) shall be an amount equal to the amount appropriated for such program for fiscal year 2002, plus the amount of the Consumer Price Index addition determined under paragraph (2) for the immediately preceding fiscal year.

''(C) In any case where the Commissioner is required under an applicable statute to carry out certain acts or make certain determinations that are necessary for the continuation of the program authorized by this title, and such acts or determinations are required during the last fiscal year for which an authorization of appropriations is provided in paragraph (1), such acts and determinations shall be required during any fiscal year for which subparagraph (A) is in operation.

''SEC. 102. ALLOCATION WITHIN STATE OF ADMINISTRATIVE RESPONSIBILITIES.

''(a) IN GENERAL.—For purposes of section 101(a), a State will—

''(1) subject to subsection (b), reserve not more than 20 percent of the grant under such section for the fiscal year involved for carrying out the responsibilities of a State administrative agent under section 103; and

''(2) reserve not less than 80 percent of the grant for carrying out the responsibilities under section 104 of local workforce development boards and integrated career center systems with respect to workforce development areas.

''(b) ADDITIONAL STATE RESPONSIBILITIES.—Amounts reserved by a State under subsection (a)(1) may be expended by the State administrative agent to carry out responsibilities that otherwise would be carried out under section 104 by local workforce development boards or integrated career center systems, if the State determines that such expenditures are justified to make available goods and services that could not otherwise be obtained within a local workforce development area, to provide services to individuals unable to utilize the integrated career center systems, or to otherwise ensure the efficient and equitable provision in the State of services under this title, including the provision of services for individuals in rural areas.

''(c) CERTAIN DEFINITIONS.—For purposes of this Act, the terms 'State administrative agent', 'local workforce development area', 'local workforce development board', and 'integrated career center' have the meanings given such terms in sections 105 through 108, respectively, of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

''SEC. 103. RESPONSIBILITIES OF STATE ADMINISTRATIVE AGENT.

''(a) STATE ADMINISTRATIVE AGENT.—In carrying out the requirements of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, a Governor may designate—

''(1) one State administrative agent to be responsible for carrying out this title for individuals who are blind; and

''(2) a different State administrative agent to carry out the remaining responsibilities in this title.

''(b) RESPONSIBILITIES.—For purposes of section 101(a) and the operation in a State of the program under this title:

''(1) This subsection, and the subsequent provisions of this section, will be carried out by State administrative agents designated by the Governor in accordance with subsection (a), through the collaborative process established under section 103 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

''(2)(A) The State will provide to the public an explanation of the methods by which the State will provide vocational rehabilitation services (as defined in section 104(b))—

''(i) to all eligible individuals (as defined in section 105(d)); and

''(ii) within all local workforce delivery areas in the State.

''(B) In the event that such services cannot be provided to all eligible individuals who apply for the services, the State will show and provide the justification for the order to be followed in selecting individuals to whom the services will be provided.

''(C) The order of selection under subparagraph (B) will be determined on the basis of serving first those individuals with the most severe disabilities, in accordance with criteria established by the State.

''(3) The State will establish guidelines providing that, in the case of an individual to whom the State will provide a service (in accordance with the order of selection under paragraph (2) and the assessment of needs under section 104(c)(1)), the individual will have the option of receiving the service from a provider designated by the center or from a provider selected by the individual pursuant to career grants under subsection (c).

''(4) Pursuant to section 109 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, the State will make significant efforts to encourage the participation in the State program of community-based private providers, with special consideration given to providers who have received funds under this Act regarding projects with industry or supported employment services, or under the Act commonly known as the Javits-Wagner-O'Day Act (41 U.S.C. 46 et seq.) for employment and training services.

''(5) The State will establish provisions to govern determinations under section 105 (relating to the eligibility of individuals).

''(6) The State will establish standards to govern the conduct under section 104(c)(1) of assessments of need, including the development of a methodology that will be applied in a reasonably uniform manner to all individuals for whom such assessments are conducted, and that (subject to the order of selection under paragraph (2)) will be designed to prevent substantial disparities, among individuals with comparable circumstances, in the monetary value of the services to be provided pursuant to the assessments.

''(7)(A) The State will establish procedures through which an individual may request and obtain an impartial review, utilizing an impartial hearing officer, of whether standards for determinations of eligibility for services, assessments of vocational rehabilitation needs, and development of individualized rehabilitation and employment plans under this title were correctly applied to the individual by the integrated career center system involved.

''(B) The State will designate a number of days (applied uniformly to all individuals) within which review under subparagraph (A) will be conducted once a request for such review is made by an individual, subject to subparagraph (C).

''(C)(i) The State will provide that there may be an informal hearing, mediation, or alternatives to such review, if agreed upon by the individual and the integrated career center system involved.

''(ii) The State will provide that if, in a process utilized under clause (i) by an individual, there is a not a final disposition of the matter involved, review under subparagraph (A) will remain available to the individual.

''(8) The State will ensure that vocational rehabilitation services under this title, and related core services, are provided by personnel who are qualified to provide the services involved. For purposes of the preceding sentence, the term 'core services' has the meaning indicated for such term under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

''(9) The State will establish plans, policies, and procedures to be followed in carrying out the program under this title in the State (including entering into a formal interagency cooperative agreement with education officials responsible for the provision of a free appropriate public education to students who are individuals with disabilities). The State will ensure that such plans, policies, and procedures are designed in accordance with the following:

''(A)(i) To facilitate the development and accomplishment of the goals and objectives described in clause (ii) (including the specification of plans for coordination with the educational agencies in the provision of transition services), to the extent that the goals and objectives are included in an individualized education program of a student.

''(ii) The goals and objectives referred to in clause (i) are long-term rehabilitation goals; intermediate rehabilitation objectives; and goals and objectives related to enabling a student to live independently before the student leaves a school setting.

''(B) To facilitate the transition from the provision of a free appropriate public education under the responsibility of an educational agency to the provision of vocational rehabilitation services under this title, including the specification of plans for coordination with educational agencies in the provision of transition services to an individual.

''(C) To provide for—

''(i) provisions for determining State lead agencies and qualified personnel responsible for transition services;

''(ii) procedures for outreach to and identification of youth in need of such services; and

''(iii) a timeframe for evaluation and follow-up of youth who have received such services.

''(10) The State will provide for coordination and working relationships with the Statewide Independent Living Council established under section 705 and independent living centers within the State.

''(11) The State will provide for interagency cooperation with, and the utilization of the services and facilities of, the State agencies administering the State's public assistance programs, and other programs for individuals with disabilities.

''(12) With respect to the integrated career center system operated pursuant to section 104, the State will provide for the appropriate training of the management and staff of the centers regarding the effective provision of services to individuals with disabilities.

''(13) The State will provide technical assistance to local boards, integrated career center systems, and providers relating to the effective provision of vocational rehabilitation services under this title, including the effective development of individualized rehabilitation and employment plans, and will ensure that such technical assistance is provided through appropriate means.

''(c) AVAILABILITY OF CAREER GRANTS SYSTEM REGARDING SERVICES.—For purposes of section 101(a) and the operation in a State of the program under this title:

''(1) The State will provide for the establishment of a system to carry out this subsection.

''(2) In the case of an eligible individual who (in accordance with the order of selection under subsection (b)(2) and the assessment of needs under section 105(b)(2)(A)) will receive vocational rehabilitation services under this title, the integrated career center involved will, upon request of the individual, provide to the individual career grants in accordance with this subsection.

''(3) Career grants under this subsection will enable such individual to obtain the vocational rehabilitation services involved from providers selected by the individual from among a list of providers approved by the State for such purpose in accordance with section 109 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

''(4) The monetary value of a career grant provided to the individual for a particular type of service will be calculated at a fair market value.

''(5) To the extent practicable, the list of providers under paragraph (3) will provide for the availability within each local workforce development area of a broad range of services.

''(6) The aggregate value of the career grants available to the individual will be established in proportion to the degree of the individual's need for rehabilitation (as determined under section 104(c)(1)). Such value regarding the individuals may be adjusted to address emerging needs that arise during the course of the individual's rehabilitation and employment program.

''(d) STATE OPTIONS.—With respect to compliance with this section, a State may, in the discretion of the State, expend a grant under section 101 for the following:

''(1) To disseminate findings from research regarding vocational rehabilitation services, after consideration of requests from local workforce development boards and integrated career center systems regarding the types of information needed by such boards and centers.

''(2) To conduct demonstration projects regarding improvements with respect to vocational rehabilitation services, subject to providing the results of such projects to the Commissioner and as appropriate disseminating the results within the State.

''SEC. 104. RESPONSIBILITIES FOR LOCAL BOARDS AND SERVICE CENTERS.

''(a) PROVISION OF VOCATIONAL REHABILITATION SERVICES.—For purposes of section 101(a) and the operation in a State of the program under this title:

''(1) This section will be carried out by the integrated career center system in the State, with each such center acting under the guidance of the local workforce development board for the local workforce area within which the integrated career center system operates. Such centers will provide services under this section directly or through contract.

''(2) In accordance with the order of selection under section 103(b)(2), an integrated career center system will, in expending amounts provided to the center from a grant under section 101, carry out the following:

''(A) Make determinations under section 105 of the eligibility of individuals for vocational rehabilitation services (as defined in subsection (b)).

''(B) Provide for vocational rehabilitation services for eligible individuals.

''(C) In the case of individuals with severe disabilities, conduct outreach and intake activities for such individuals who are not able to directly access the integrated career center system because of the nature of their disabilities.

''(3) An integrated career center system will, in expending amounts provided to the center from a grant under section 101, make vocational rehabilitation services available at a variety of locations and, as appropriate for particular populations, in a variety of environments.

''(b) DEFINITION.—For purposes of this title, the term 'vocational rehabilitation services' means such goods or services for eligible individuals as are—

''(1) necessary to render the individuals employable and achieve an employment outcome; and

''(2) provided in response to needs that arise, to a significant extent, from the disability involved and do not duplicate, to any significant extent, the core services available under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

''(c) CERTAIN SERVICES.—For purposes of section 101(a), the vocational rehabilitation services available through integrated career center systems will include the following:

''(1) An assessment of the needs of eligible individuals for such services.

''(2) Development, in accordance with section 105(b)(2), of an individualized rehabilitation and employment plan for the purpose of identifying employment goals, appropriate intermediate rehabilitation objectives, and an appropriate combination of goods and services for the individual to achieve the employment goals.

''(3) Counseling, guidance, and work-related placement services for individuals with disabilities, including job search assistance, placement assistance, job retention services, personal assistance services, and follow-up, follow-along, and specific postemployment services necessary to assist such individuals to maintain, regain, or advance in employment.

''(4) Vocational and other training services for individuals with disabilities, including personal and vocational adjustment, books, or other training materials, and such services to the families of such individuals as are necessary to the adjustment or rehabilitation of such individuals.

''(5) Rehabilitation technology services.

''(6) Supported employment services.

''(7) Physical and mental restoration services.

''(8) Interpreter services for individuals who are deaf, and reader services for individuals who are blind.

''(9) Rehabilitation teaching services and orientation and mobility services for individuals who are blind.

''(10) Referral and other services designed to assist individuals with disabilities in securing needed services from other agencies through agreements developed under section 103(b)(10), if such services are not available under this Act.

''(11) Transportation in connection with the rendering of any vocational rehabilitation service.

''(12) Telecommunications, sensory, and other technological aids and devices.

''(13) On-the-job, or other related personal-assistance services, provided while eligible individuals are receiving other vocational rehabilitation services under this title.

''(d) CERTAIN ARRANGEMENTS.—For purposes of section 101(a), an integrated career center system will, with respect to the provision of vocational rehabilitation services to individuals with the most severe disabilities, provide for necessary arrangements with community-based providers, including arrangements regarding supported employment services and extended services, periodic reviews of individuals placed in extended employment, and services to promote movement from extended employment to integrated employment.

''(e) OPTIONAL PROVISION OF OTHER SERVICES.—For purposes of this title, an integrated career center system may provide such vocational rehabilitation services in addition to the services specified in subsection (c) as the center determines to be appropriate.

''(f) ALLOCATION FOR CORE SERVICES.—For purposes of section 101(a):

''(1) With respect to a fiscal year, a local workforce development board receiving amounts from a grant under section 101 will reserve an amount for the provision of core services under title I of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.

''(2) The amount so reserved will be based on the number of eligible individuals with disabilities in the local workforce development area and the costs of training employees of the integrated career center system to provide high-quality services to individuals with disabilities.

''(g) PERFORMANCE PAYMENTS REGARDING CAREER GRANTS.—For purposes of section 101(a):

''(1) The local workforce development board involved will ensure that, in providing for the payment of services provided pursuant to career grants, a portion of the total payment is withheld from the provider until the delivery of the services involved is completed in reasonable accordance with the outcome designated for the service pursuant to a prior understanding with the provider.

''(2) In the case of education, training, and placement services that are designed to lead to an employment outcome, a portion of the total payment will be withheld from the provider until—

''(A) the participant has successfully completed the training; and

''(B) the participant has been employed, and has retained employment for a period of not less than 90 days.

''(h) PAYOR OF LAST RESORT REGARDING MEDICAL SERVICES AND EDUCATIONAL ASSISTANCE.—For purposes of section 101(a), a State will not expend a grant under section 101 to pay for training services in institutions of higher education, or to pay for medical services, unless significant efforts have been made to secure payments, in whole or in part, from other sources, except that such efforts are not required if making the efforts would delay the provision of such services to any eligible individual who is at extreme medical risk, or if making the efforts would result in the loss of a job placement that (but for the efforts) would be immediately available to an eligible individual.

''SEC. 105. ELIGIBLE INDIVIDUAL.

''(a) IN GENERAL.—For purposes of section 101:

''(1) An individual will not receive vocational rehabilitation services under this title unless the individual—

''(A) is an individual with a disability under section 7(8)(A); and

''(B) requires vocational rehabilitation services to prepare for, enter, engage in, or retain gainful employment.

''(2) If the individual has a disability or is blind as determined pursuant to title II or title XVI of the Social Security Act, the individual will be considered to have—

''(A) a physical or mental impairment which for such individual constitutes or results in a substantial impediment to employment under section 7(8)(A)(i); and

''(B) a severe physical or mental impairment which seriously limits one or more functional capacities in terms of an employment outcome under section 7(15)(A)(i).

''(3) It will be presumed that an individual can benefit in terms of an employment outcome from vocational rehabilitation services for purposes of section 7(8)(A)(ii), unless the integrated career center system involved can demonstrate by clear and convincing evidence that such individual is incapable of benefiting from vocational rehabilitation services in terms of an employment outcome.

''(b) PROCESS.—For purposes of section 101(a), a State will ensure that, subject to the order of selection under section 102(b)(2), the following applies to an individual:

''(1) Once the individual makes a request in person for a determination of eligibility:

''(A) A qualified rehabilitation adviser will be made available to the individual regarding the process of obtaining services under this title.

''(B) An initial interview will be conducted, followed by an initial assessment.

''(C) A final determination will be made not later than 30 days after the request (subject to the cooperation of the individual in the process of determination).

''(D) The determination of eligibility will be based on the review of existing data described in clause (i) of section 7(22)(A), and, to the extent necessary, the preliminary assessment described in clause (ii) of such section.

''(E) If it is determined that the individual is not an eligible individual, the individual will be provided a written statement explaining the following:

''(i) The basis of the determination.

''(ii) The availability of impartial review under section 103(b)(7).

''(iii) The availability of services under the client assistance program under section 510.

''(2)(A) If it is determined that the individual is an eligible individual—

''(i) the needs of the individual for vocational rehabilitation services will be assessed; and

''(ii) subject to subparagraph (D), an individualized rehabilitation and employment plan will be developed for the individual regarding the provision of services pursuant to clause (i).

''(B) The plan under subparagraph (A) will be developed and mutually agreed upon by the individual and an appropriate staff member of the integrated career center system involved.

''(C) A plan under subparagraph (A) is individualized if the plan is consistent with the unique strengths, resources, priorities, concerns, abilities, and capabilities of the individual for whom the plan is developed.

''(D) A plan under subparagraph (A) is not required for an individual if the individual signs a waiver stating that such a plan is not necessary for the individual.

''(c) RULE OF CONSTRUCTION.—This title may not be construed as establishing an entitlement in any individual.

''(d) DEFINITION.—For purposes of this title, the term 'eligible individual' means an individual described in subsection (a)(1).

''SEC. 106. STATE REHABILITATION ADVISORY COUNCIL.

''(a) IN GENERAL.—For purposes of section 101(a):

''(1) A State will establish a State Rehabilitation Advisory Council (referred to in this section as the 'Council') in accordance with this section.

''(2) The Council will be composed of the following:

''(A) Representatives of organizations within the State providing services to individuals with disabilities and their families, including representatives of the client assistance program under section 510.

''(B) Representatives of business, industry, and labor.

''(C) Representatives of disability advocacy groups representing a cross section of—

''(i) individuals with physical, cognitive, sensory, and mental disabilities; and

''(ii) parents, family members, guardians, advocates, or authorized representatives, of individuals with disabilities who have difficulty in representing themselves or are unable due to their disabilities to represent themselves.

''(3) The State administrative agent will be an ex officio member of the Council.

''(4) Members of the Council will be appointed by the Governor or another entity that has appointment authority under State law.

''(5) A majority of Council members will be persons who are—

''(A) individuals with disabilities described in section 7(8)(B); and

''(B) not employed by the designated State administrative agent.

''(6)(A) Except as provided in subparagraph (B), the Council will select a chairperson from among the membership of the Council.

''(B) In States in which the Governor does not have veto power pursuant to State law, the Governor will designate a member of the Council to serve as the chairperson of the Council or will require the Council to so designate such a member.

''(7) Each member of the Council will serve for a term determined by the Governor or another entity that has appointment authority under State law.

''(8) Any vacancy occurring in the membership of the Council will be filled in the same manner as the original appointment. The vacancy will not affect the power of the remaining members to execute the duties of the Council.

''(b) FUNCTIONS OF COUNCIL.—For purposes of section 101(a), the Council will carry out the following:

''(1) Advise the collaborative process under section 103 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, and the State administrative agent, in the preparation of the State workforce development and literacy plan and other plans, reports, needs assessments, and evaluations required by this title.

''(2) To the extent feasible, conduct a review and analysis of the effectiveness of, and consumer satisfaction with, the delivery of core services and vocational rehabilitation services to individuals with disabilities within the State.

''(3) Prepare and submit an annual report to the collaborative process or appropriate State administrative agent and the Commissioner on the status of vocational rehabilitation programs operated within the State, and make the report available to the public.

''(4) Coordinate with other councils within the State established to address the needs of individuals with disabilities.

''(5) Perform such other functions, consistent with the purpose of this title, as the State Rehabilitation Advisory Council determines to be appropriate, that are comparable to the other functions performed by the Council.

''(c) RESOURCES.—

''(1) PLAN.—For purposes of section 101(a), the Council will prepare, in conjunction with the State administrative agent, a plan for the provision of such resources, including such staff and other personnel, as may be necessary to carry out the functions of the Council under this section. The resource plan shall, to the maximum extent possible, rely on the use of resources in existence during the period of implementation of the plan.

''(2) RESOLUTION OF DISAGREEMENTS.—For purposes of section 101(a), to the extent that there is a disagreement between the Council and the State administrative agent in regard to the resources necessary to carry out the functions of the Council as set forth in this section, the disagreement will be resolved by the Governor or appointing agency identified in subsection (a)(4).

''(3) SUPERVISION AND EVALUATION.—For purposes of section 101(a), the Council will, consistent with State law, supervise and evaluate such staff and other personnel as may be necessary to carry out its functions under this section.

''(4) PERSONNEL CONFLICT OF INTEREST.—For purposes of section 101(a), while assisting the Council in carrying out its duties, staff and other personnel will not be assigned duties by the State administrative agent or any other agency or office of the State, that would create a conflict of interest.

''(d) CONFLICT OF INTEREST.—For purposes of section 101(a), no member of the Council will cast a vote on any matter that would provide direct financial benefit to the member or otherwise give the appearance of a conflict of interest under State law.

''(e) MEETINGS.—For purposes of section 101(a), the Council will convene meetings and conduct such forums or hearings as the Council considers appropriate. The meetings, hearings, and forums will be publicly announced. The meetings will be open and accessible to the general public unless there is a valid reason for an executive session.

''(f) COMPENSATION AND EXPENSES.—For purposes of section 101(a), the Council may use funds appropriated under this title to reimburse members of the Council for reasonable and necessary expenses of attending Council meetings and performing Council duties (including child care and personal assistance services), and to pay compensation to a member of the Council, if such member is not employed or must forfeit wages from other employment, for each day the member is engaged in performing the duties of the Council.

''(g) RULE OF CONSTRUCTION.—Nothing in this section prohibits a State from establishing and providing funds to a separate council to carry out functions described in subsection (b) with respect to vocational rehabilitation services for individuals who are blind.

''SEC. 107. AMOUNT OF ALLOTMENT.

''(a)(1) Subject to the provisions of subsection (d), for each fiscal year beginning before October 1, 1978, each State shall be entitled to an allotment of an amount bearing the same ratio to the amount authorized to be appropriated under section 101(d) for allotment under this section as the product of (A) the population of the State, and (B) the square of its allotment percentage, bears to the sum of the corresponding products for all the States.

''(2)(A) For each fiscal year beginning on or after October 1, 1978, each State shall be entitled to an allotment in an amount equal to

the amount such State received under paragraph (1) for the fiscal year ending September 30, 1978, and an additional amount determined pursuant to subparagraph (B) of this paragraph.

''(B) For each fiscal year beginning on or after October 1, 1978, each State shall be entitled to an allotment, from any amount authorized to be appropriated for such fiscal year under section 101(d) for allotment under this section in excess of the amount appropriated under such section for the fiscal year ending September 30, 1978, in an amount equal to the sum of—

''(i) an amount bearing the same ratio to 50 percent of such excess amount as the product of the population of the State and the square of its allotment percentage bears to the sum of the corresponding products for all the States; and

''(ii) an amount bearing the same ratio to 50 percent of such excess amount as the product of the population of the State and its allotment percentage bears to the sum of the corresponding products for all the States.

''(3) The sum of the payment to any State (other than Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands) under this subsection for any fiscal year which is less than one-third of 1 percent of the amount appropriated under section 101(d), or $3,000,000, whichever is greater, shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotment to each of the remaining such States under this subsection, but with such adjustments as may be necessary to prevent the sum of the allotments made under this subsection to any such remaining State from being thereby reduced to less than that amount.

''(4) For each fiscal year beginning on or after October 1, 1984, for which any amount is appropriated pursuant to section 101(d), each State shall receive an allocation (from such appropriated amount) in addition to the allotment to which such State is entitled under paragraphs (2) and (3) of this subsection. Such additional allocation shall be an amount which bears the same ratio to the amount so appropriated as that State's allotment under paragraphs (2) and (3) of this subsection bears to the sum of such allotments of all the States.

''(b)(1) If the payment to a State pursuant to this section for a fiscal year is less than the total payments such State received under section 2 of the Rehabilitation Act for the fiscal year ending June 30, 1973, such State shall be entitled to an additional payment (subject to the same terms and conditions applicable to other payments under this title) equal to the difference between the payment under this section and the amount so received by it.

''(2) If a State receives as its Federal share pursuant to this section for any fiscal year less than the applicable Federal share of the expenditure of such State for fiscal year 1972 for vocational rehabilitation services under the plan for such State approved under section 101 as in effect for such year (including any amount expended by such State for the administration of the State plan but excluding any amount expended by such State from non-Federal sources for construction under such plan), such State shall be entitled to an additional payment for such fiscal year, subject to the same terms and conditions applicable to other payments under this title, equal to the difference between such the payment pursuant to this section and an amount equal to the applicable Federal share of such expenditure for vocational rehabilitation services.

''(3) Any payment attributable to the additional payment to a State under this subsection shall be made only from appropriations specifically made to carry out this subsection, and such additional appropriations are hereby authorized.

''SEC. 108. STATE OPTION FOR WAIVERS REGARDING ALTERNATIVE DELIVERY SYSTEMS.

''(a) IN GENERAL.—In the case of the requirements specified in subsection (b), the Secretary shall provide to a State a waiver of such requirements as the State elects, if (subject to the other provisions of this section) the following conditions are met:

''(1) The Governor, through the collaborative process under section 103 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act, develops a proposed plan for alternative approaches (to be implemented by the State in lieu of the requirements involved).

''(2) The proposal is approved by each local workforce development board in whose local workforce development area the proposal (or any component of the proposal) is to be effective.

''(3) The local workforce development boards involved, and the Governor, determine that the following conditions have been met:

''(A) The proposal will better fulfill the purposes of this title than would compliance with the requirements involved.

''(B) In the development of the alternative approaches, the public was afforded a reasonable opportunity to comment on the proposed alternative approaches.

''(4) The Governor submits to the Secretary the following documents:

''(A) A notification that the State is electing to receive a waiver under this section.

''(B) A copy of the plan involved.

''(C) Such documents as the Secretary may require for purposes of verifying that the conditions established in paragraphs (1) through (3) have been met.

''(b) CERTAIN REQUIREMENTS REGARDING STATE ADMINISTRATIVE STRUCTURE FOR DELIVERY OF SERVICES.—The requirements referred to in subsection (a) are as follows:

''(1) The allocation under section 102 of amounts between State administrative agents and local workforce development boards.

''(2) The allocation under sections 103 and 104 of responsibilities between State administrative agents and local workforce development boards (including the use of integrated career center systems to provide vocational rehabilitation services).

''(3) The specification under section 103(a) of the State officials who are to administer the requirements of section 103.

''(c) APPLICABILITY OF WAIVER; REVIEW AND REVISION OF PLAN.—

''(1) APPLICABILITY.—A waiver under subsection (a) is effective for a fiscal year only if the documents under paragraph (4) of such subsection are submitted to the Secretary not later than 60 days before the beginning of the fiscal year.

''(2) REVIEW OF PLAN.—A waiver under subsection (a) is effective for such fiscal years as the State involved elects, except that, not less than once during each period of three fiscal years, the plan under the waiver is required (as a condition of the waiver remaining in effect) to be reviewed, and approved, by the Governor (through the collaborative process referred to in such subsection) and by the local workforce development boards involved.

''(3) REVISION OF PLAN.—The plan under a waiver under subsection (a) may be revised. Such subsection applies to such a revision to the same extent and in the same manner as the subsection applies to the original plan.

''(d) PERFORMANCE ACCOUNTABILITY SYSTEM.—A waiver under subsection (a) for a State does not, with respect to carrying out the program under this title in the State, affect the applicability to the State of section 110 of the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act.''.

(b) CERTAIN FUNDING PROVISION.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended by inserting after section 3 the following section:

''AVAILABILITY OF FUNDS

''SEC. 3A. Notwithstanding any other provision of law, funding to carry out titles II through VII for any fiscal year is available only to such extent and in such amounts as may be provided in advance in appropriations Acts.''.

(c) CONFORMING AMENDMENTS.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended in the table of contents in the first section—

(1) by inserting after the item relating to section 3 the following item:

''Sec. 3A. Availability of funds.'';

(2) by striking the items relating to sections 100 through 109, to sections 110 through 112, to sections 120 through 124, to section 130, and to sections 140 and 141;

(3) by striking the items relating to the title designation and heading for title I, and to the part designations and headings for parts A, B, C, D, and E of title I;

(4) by inserting after the item relating to section 21 the following items:

''TITLE I—VOCATIONAL REHABILITATION SERVICES

''Sec. 100. Purpose.
''Sec. 101. Formula grants.
''Sec. 102. Allocation within State of administrative responsibilities.
''Sec. 103. Responsibilities of State administrative agent.
''Sec. 104. Responsibilities for local boards and service centers.
''Sec. 105. Eligible individual.
''Sec. 106. State Rehabilitation Advisory Council.
''Sec. 107. Amount of allotment.
''Sec. 108. State option for waivers regarding alternative delivery systems.'';

and

(5) by inserting after the item relating to section 509 the following item:

''Sec. 510. Client assistance program.''.

Subtitle B—Other Amendments to Rehabilitation Act of 1973

SEC. 521. TRAINING AND DEMONSTRATION PROJECTS.

(a) IN GENERAL.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended—

(1) in title III—

(A) by striking section 303;

(B) by striking section 304;

(C) in section 311—

(i) by striking subsections (c) and (f); and

(ii) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively;

(D) by striking section 312; and

(E) by striking section 316;

(2)(A) by transferring subsection (a) of section 802 from the current placement of the subsection;

(B) by redesignating such subsection as subsection (e); and

(C) by inserting such subsection at the end of section 311 (as amended by paragraph (1)(C) of this subsection);

(3)(A) by transferring subsection (g) of section 802 from the current placement of the subsection; and

(B) by redesignating such subsection as subsection (f); and

(C) by inserting such subsection at the end of section 311 (as amended by paragraph (2)(C) of this subsection);

(4)(A) by transferring subsection (c) of section 803 from the current placement of the subsection;

(B) by redesignating such subsection as subsection (g); and

(C) by inserting such subsection at the end of section 311 (as amended by paragraph (3)(C) of this subsection);

(5)(A) by transferring subsection (b) of section 803 from the current placement of the subsection;

(B) by redesignating such subsection as subsection (j); and

(C) by inserting such subsection at the end of section 302; and

(6) by striking the remaining provisions of title VIII.

(b) CONFORMING AMENDMENTS.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended in the table of contents in the first section—

(1) by striking the items relating to sections 303, 304, 312, and 316;

(2) by striking the items relating to sections 801 through 803 of title VIII; and

(3) by striking the item relating to the title designation and heading for title VIII.

SEC. 522. EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES.

(a) IN GENERAL.—Effective October 1, 1995, title VI of the Rehabilitation Act of 1973 (29 U.S.C. 795 et seq.) is amended—

(1) by striking part A;

(2) by striking part C;

(3) by striking part D; and

(4) in part B, by striking the part designation and heading.

(b) PROJECTS WITH INDUSTRY.—Effective October 1, 1998, title VI of the Rehabilitation Act of 1973, as amended by subsection (a) of this section, is repealed.

(c) CONFORMING AMENDMENTS.—Effective October 1, 1995, the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) is amended in the table of contents in the first section by striking the items relating to sections 611 through 617, to sections 631 through 638, and to section 641; and by striking the items relating to the part designations and headings for parts A, B, C, and D of title VI. Effective October 1, 1998, such table of contents is amended by striking the items relating to sections 621 through 623; and by striking the item relating to the title designation and heading for title VI.

SEC. 523. CERTAIN AMOUNTS.

(a) AMOUNTS REGARDING FISCAL YEAR 1996.—With respect to the aggregate amount that was available for fiscal year 1995 as direct spending for carrying out the programs under section 311(c), section 316, and part C of title VI of the Rehabilitation Act of 1973 (as such provisions were in effect for such fiscal year), an amount equal to such aggregate amount is hereby made available for fiscal year 1996 as direct spending for carrying out title I of such Act (in addition to the amount of direct spending that otherwise is available for such title I for fiscal year 1996).

(b) AMOUNTS REGARDING FISCAL YEAR 1999.—With respect to the amount made available in appropriations Act for fiscal year 1998 for carrying out title VI of the Rehabilitation Act of 1973 (as such title was in effect for such fiscal year), an amount equal to such amount is hereby made available for fiscal year 1999 as direct spending for carrying out title I of such Act (in addition to the amount of direct spending that otherwise is available for such title I for fiscal year 1999).

The CHAIRMAN. Are there amendments to title V?

Mr. CLAY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, there is an old saying that says, ''If it isn't broke, don't fix it.'' Voc rehab certainly is not broken. Voc rehab is one of the most important mechanisms we have of assisting individuals with disabilities to obtain productive employment, to live independently, and to thrive in mainstream society. Whatever we do in this area, we should do carefully. Yet what we have before us today disrupts the current voc rehab system by limiting State flexibility, diluting accountability, and creating uneven access to services.

Mr. Chairman, I introduced this amendment because the gentleman from Texas, Mr. GENE GREEN, was late in arriving. The gentleman from Texas, Mr. GENE GREEN, will explain what the amendment does.

AMENDMENT OFFERED BY MR. GENE GREEN OF TEXAS

Mr. GENE GREEN of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. GENE GREEN of Texas: Strike title V of the bill and insert the following:

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. EFFECT ON REHABILITATION ACT OF 1973.

Notwithstanding any other provision of this Act, this Act does not have any legal effect on any program under the Rehabilitation Act of 1973.

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Mr. GENE GREEN of Texas. Mr. Chairman, I appreciate this opportunity. This amendment is offered not only by myself but also the gentleman from Arkansas [Mr. DICKEY], my good friend and colleague.

This amendment is an amendment we talked about earlier that would strike title V of the CAREERS bill that I talked about on earlier amendments. Even in my opening comments I have expressed grave concerns about the Rehabilitation Act of 1973 that is included in this bill.

The Committee on Economic and Educational Opportunities held no hearings specifically on title V. Now, on Thursday, the majority staff released changes to the marked-up bill, and today our chairman includes even more changes in the manager's amendment. We need to spend a great deal more time on dealing with vocational rehabilitation instead of over a weekend. This bill was out of committee for 2 months and we have seen a number of changes just in the last week.

Mr. Chairman, we have tried to work on a compromise amendment, and my colleague from South Carolina and I have talked about and I think we share a lot of the same concerns, but, again, on short notice and without having time to sit down like we would like to, that is why I think we should set aside vocational rehabilitation for more judicious concern by this whole Congress instead of on a short-term basis and include it in this bill.

The Green-Dickey amendment strikes title V from the CAREERS bill and assures the current vocational rehabilitation program remains intact. The gentleman from Arkansas [Mr. DICKEY] and I bring this to the floor because the vocational rehabilitation program is too important to continue to make arbitrary changes without any real thought about those most affected.

For more than 75 years Federal aid for vocational rehabilitation services has been provided in the form of a block grant to the States. National performance and quality standards have been established and States have been given broad discretion to determine how best to meet them. This is the original block grant. It just did not happen this January here in Congress.

Mr. Chairman, expanding consumer choice and integrating vocational rehabilitation services in a comprehensive system are worthwhile goals which I fully support. In its current form, title V would not advance these objectives. In fact, it could erode the quality and reduce the availability of rehabilitation services for persons with disabilities.

People with disabilities face extreme challenges in the pursuit of meaningful employment, challenges far beyond those faced by the average person who accesses Federal job training programs. We want to ensure that any eligible individual is guaranteed access to the same quality and range of rehabilitation services no matter where they reside in a State or in which State they reside.

The many people served by the current State vocational rehabilitation programs are coping with new disabilities, new self-images, new feelings about their competencies, new technologies and new ways to perform old tasks. Rehabilitation professionals are specifically trained to assist people in disabilities in these areas. Employees of more general training services do not have that ability.

I like the CAREERS bill when it deals with average employees who are laid off. We need to merge the programs. But when we deal with vocational rehabilitation, we should not lump people who are the recipients or the beneficiaries of vocational rehabilitation in with the general population.

Mr. Chairman, there is a great deal of concern, and we have letters from among the supporting organizations for the removal of vocational rehabilitation. The concern from these client agencies, not from the State bureaucrats as we heard, but from the clients, they are worried they will get lost in the shuffle when their provisions are included in this bill.

As I said earlier, I voted for the bill as it came out of committee. I tried to amend it in committee and we lost, with the understanding that we would try to work something out. We have not been able to work it out to the support of the client organizations that raise this concern. I can mention some of these groups. We have letters, but we also have, and a lot of Members will

see this as they come in the door to vote in a few minutes, a yellow sheet of paper that talks about the number of groups from the client groups who are supporting this amendment to strike title V.

Another concern we have had is that we have heard the concern for the last 2 months and during our committee markup, in process, the Governors' Association wanting to be able to have flexibility. The concern I have about the original bill, the substitute I saw last week, and even the manager's amendment today is that it gives a great deal of flexibility to Governors and maybe not dealing with their legislatures in addressing it.

I have a letter from the National Governors' Association and it says, and I will paraphrase, we believe that the bill could be improved by adoption of two amendments that would be offered on the floor today and ask that Members support these changes; the amendment by Representative GREEN of Texas to maintain existing law with respect to vocational rehabilitation programs.

If we want to address the Governors' concern, the National Governors' Association supports this amendment.

Mr. GUNDERSON. Mr. Chairman, I move to strike the last word and rise in opposition to the amendment.

I wanted to get into a dialogue with the gentleman about the National Governors' Association letter, because, frankly, it took some of us on this side of the aisle by surprise, as the gentleman can imagine. We did a little investigation.

Mr. GENE GREEN of Texas. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I yield to the gentleman from Texas.

Mr. GENE GREEN of Texas. Mr. Chairman, I am glad for little things.

Mr. GUNDERSON. Mr. Chairman, reclaiming my time, the little things we found out are, first and foremost, the gentleman will notice that letter is not signed by any Governor. The head of the National Governors' Association happens to be my Governor in Wisconsin. He did not sign that letter. The best we can detect is this is a letter agreed on by staff of various Governors, not the Governors themselves.

Mr. GENE GREEN of Texas. Mr. Chairman, if the gentleman will continue to yield, I do not know the background to it, but I know it is on National Governors' Association stationery and your Governor is at the top of this. In fact, we heard your Governor a great many times in our committee this year.

Again, this letter is dated today, September 19, and it is the best available information I have and the most reliable on the National Governors' Association. If they have problems with their executive director, they may want to talk with him.

Mr. GUNDERSON. Mr. Chairman, reclaiming my time once again, as of 4:50 p.m., I think that is the most reliable information the gentleman has. If we can continue this debate for a few minutes, we are going to have a letter that will be signed by my Governor that will oppose the Green amendment and that will indicate that we should keep the bill as it is, because in order to make the kind of comprehensive job training and integration that CAREERS is all about, vocational rehabilitation has to be a part of that bigger pie.

What we are going to try to do, as we have done already in CAREERS, is, obviously, consolidate those programs. The Governors will have a role, and as the gentleman knows, many of the main vocational rehabilitation agencies in this country and associations support keeping title V in the bill. They believe this is the way to go.

Mr. GENE GREEN of Texas. If the gentleman will continue to yield for 30 seconds for my response.

Mr. GUNDERSON. Mr. Chairman, if the gentleman does not object when I ask for more time, he may go ahead.

Mr. GENE GREEN of Texas. Mr. Chairman, I will not object to the gentleman's having more time as long as I can respond.

I understand we may have a duel of letters here, one dated today, this afternoon, and maybe one later, but the concern I have is to whether the Governors are for or against it. I have just been told that the Governor of Texas, Governor Bush, is supporting the amendment. I know he does not represent the National Governors' Association but he is really concerned about including vocational rehabilitation in this bill. That is why I want vocational rehabilitation to be part of the one-stop center.

Mr. GUNDERSON. Mr. Chairman, reclaiming my time, the problem with my good friend from Texas is that every time I yield to him, he does not yield back. This is not the Senate, this is the House, where we have time limits.

I want to point out that I have been told that the Governor of Texas is not signing a letter pro or con, that he simply not taking a position on Title V. So, again, we are getting very different information regarding what the governor is saying, which suggests to me, with all due respect to the governors, that we should just ignore the Governors and debate this on the merits of what we think fits into this plan. When we do that, I think there is a lot of sense in the comprehensive integration of the CAREERS bill as we have brought it forth out of the committee.

The fact is, we want to inject some local control, some flexibility, and some competition. We do not cut any of the dollars. As the gentleman knows, we have tried to respect the uniqueness of vocational rehabilitation, which is why that is a separate funding stream that is not combined with the adult or the youth training or the adult education, but that does not mean there is not clearly a need for some kinds of reform in competition within that particular sector.

We think we have struck a fine balance in that. Certainly we have established a position that ought to take us into conference with the Senate, and, therefore, I would encourage my colleagues to stick with the bill as we have brought it out. It is a delicate balance. It is a compromise. And I would encourage us to reject the amendment.

Mr. DICKEY. Mr. Chairman, I move to strike the requisite number of words and I rise in support of this amendment.

I want to give a little history of what is going on in Arkansas as far as this particular bill is concerned. About 6 or 7 months ago I started hearing about this from the people who are disabled and the people who are involved in the rehabilitation services in Pine Bluff, particularly Bobby Simpson, who is a direct of the Arkansas Rehabilitation Services.

I was called upon, and had been called upon to go to meeting after meeting after meeting, Mr. Chairman, where people were coming and saying this is what is unusual, this is what is unique about the rehabilitation services; that there is a whole infrastructure set up in our rural area of Arkansas that takes into consideration both the needs of industries and businesses and the needs of the disabled people who would come under this service.

I had bought into this some time ago. Six months ago I bought into this, and I said, no, I think the gentleman is right. Part of that comes from the fact that I myself have been disabled; that I have spent time recovering from polio, been unable to walk, and knowing what it is like to have an inability to do what I was setting out to do. And how that might have related to my vocation or my ability to function is something that brings me to this issue quite honestly.

Mr. Chairman, I am aware of the fact that there is in this bill, the main bill not the amendment, a provision for this type of rehabilitation service to be given. My concern comes, though, not from the fact that the service would be given but by whom.

If we give a generic service in this respect, it is going to leave out and put in last place those people who are disabled, and I think we have a special need for it. We can always come back later and say that we can put this back in. If, in fact, this amendment is allowed, and we keep this separate, we can come back later and we can tailor make a little bit more of a type of a service that would combine the needs of industry and the needs of the disabled person.

Mr. Chairman, I am in favor of this. I would like to have this amendment pass.

Mr. PETE GEREN of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I stand in strong support of the Green amendment. H.R. 1617

is a good bill in almost all respects. It is a major step forward in our effort to try to make government more responsive to the needs of people, our efforts to streamline it, to save money and make it work for people who want to get to work, who need the skills that this bill will help them secure. There is a piece of the bill that should not be in it and that is why I rise in support of the Green amendment.

Mr. Chairman, the Green amendment would make clear that this bill does not have any effect on any program that is in place under the Rehabilitation Act of 1973. I know I speak for many people in the Congress when I say that we applaud the work of the chairman of the committee, applaud the work of the committee staff that worked so hard to bring this bill about, and it is not an effort to take away from the overall direction of the bill to lift this one piece out of it.

I have worked with people in the disability community in my area and they are very concerned that this provision is going to be counterproductive.

□ 1600

The public vocational rehabilitation program has put already over 13 million people back to work. It is the most successful job training program in the world for disabled. It more than pays for itself, because it takes people who want to work and help themselves and puts them back in the work force. It is a highly specialized process and does not fit in the CAREERS bill. It offers a broad range of services individually tailored to meet the needs of the disabled, and it is a great success story in and of itself. Where there is tremendous need for reform in so many other areas of the vocational training, this is an area that is a success. I do not think we should take a chance on compromising a program that already works in an effort to try to achieve economies of scale that I do not think would accrue to the benefit of this program.

So I urge my colleagues to support the Green amendment. I commend my colleague from Texas for his hard work in this area, and once again commend the sponsors of this bill for putting it together. This is a piece of it that needs to be deleted.

Mr. Chairman, I urge Members to support the Green amendment, and make sure this bill does not compromise great programs that are helping people that need the help, who want a helping hand and not a handout. I urge my colleagues to support the Green amendment.

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in the strongest possible opposition I can to this amendment, because it is a direct slap in the face of the disability community, and particularly a slap in the face to those with severe disabilities.

Now, let us talk about quality. That is what was mentioned several times. That is what we heard so much about, quality. Now, look at the record. You see, if you are going to be brainwashed by the State rehab people, then, of course, quality is not going to matter, because quality is not what is there at the present time.

A little over 1 million persons are served under the current Federal-State vocational rehabilitation program. How many cases are closed in a year's time? At the most, 200,000. But closed, closed for what?

What is the rehabilitation standard? Well, let me tell you what VR's rehabilitative standard means: A 60-day job placement. Big deal. Big deal. A 60-day job placement.

Under this low standard, even with a standard that low, they could not come up with better than 71 percent. So, again, if you are looking at quality, then you are not looking at existing programs, you are being brainwashed by State vocational rehabilitation people who do not want any change.

They are not interested in quality. They are interested in keeping their control. They are interested in keeping their control over the disabled community. The largest group, who is headquartered in Dallas, TX, has indicated to us, ''Do not even think about decoupling this. Do not allow them to do that to us, because then we continue to be stepsisters, as we have been in the past.''

Under the tougher Social Security Administration standards, and that is a placement after 9 months for severely disabled persons on SSI and SSDI, only 9 percent of such case closures were rehabilitated. The 1993 GAO report on vocational rehabilitation programs concluded that the gains in economic status made by clients were temporary. Within the study group, the earnings of those classified as rehabilitated under the 60-day standard, I keep repeating, had, after 2 years, returned to near or below preprogram levels.

Mr. Chairman, we are trying to help those most disabled, those most disabled in our community. They are telling us, ''Do not let us suffer as you have in the past under a state-run monopoly.'' They are saying to us, ''Please, give us an opportunity to have some competition, so that we can get improved services.''

Someone mentioned they might cream them. That is exactly what they do at the State level at the present time. That is why the disability community is so upset that someone is going to take them out of the CAREERS bill. They want to be there, because they know that the services they have received in the past have been anything but exemplary.

The Projects With Industries business-community partnership placed 10,901 persons in 1994,[8] 1 percent of whom were severely disabled. That is what that competition did. And then they are worried that somehow or another there will be fly-by-night operations in our system. Read the legislation. They cannot be in there. They could not get any reimbursement if they were in the system. We have quality control set up in this bill that prevents any kind of reimbursement going to fly-by-night operations.

But this project, a similar project in the private sector, had 81 percent of those who were severely disabled, placed in meaningful jobs.

The status quo advocates cannot argue that their success is demonstrated or that their expertise is unique. However, in this bill we allow them to continue. In this bill we say State government agents can still provide the services. That is in the bill. We had some legislation that we were working out that even improved that, which hopefully will be done between now and conference.

But, again, I plead with my colleagues: If you really have any concern about the severely disabled in this country, then, please, do not allow the status quo to continue. We have to improve their lot.

Mr. Chairman, I might add also that I am not sure where the Governors' letter came from, but I believe the majority of Governors are on my side of the aisle, not the other side of the aisle, and I have their letter here. They are saying just the opposite.

Mr. DOGGETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this legislation, which is good legislation, but also in support of this amendment, which will make it a much better piece of legislation.

I have been amused at the suggestion by some of our colleagues that we should just ignore what the Governors say. You see, we have been through this before in Texas. The gentleman from Texas [Mr. GENE GREEN] when the issue of the formula for welfare came up during the welfare reform effort, pointed out that Texas was about to get hit and get hit hard by virtue of that formula.

Our Governor sat on his hands and did not want to get involved. But thanks to the efforts of Congressman GREEN, he has finally gotten motivated and gotten involved and recognized what a devastating effect that would have on the State of Texas, and we are beginning to get some change, belatedly, but finally. I think the same thing will be true with reference to the gentleman's efforts on this question of vocational rehabilitation.

The approach being taken here with this piece of legislation here today is really only taking a Texas idea and bringing it to the national level, because we have already done essentially the same thing in the last session of the Texas legislature that is being done in this bill. That is to merge our job training programs and to recognize we can do more for those who need work force development, job training, if we merge programs together, eliminate some of the inefficiencies. But when we

did that in the State of Texas, we specifically excepted vocational rehabilitation, because it is a unique area. When you are dealing with persons with disabilities, they have some special needs in order to be able to achieve to the full extent of their ability.

I think that the gentleman, through his amendment, recognizes that, and as that message gets out I am sure somewhere in the legislative process the Governors of Texas and other States are going to join in recognizing in the State of Texas we have one of the most outstanding rehabilitation programs that the gentleman from Texas [Mr. GENE GREEN] and I have both had occasion to work with when we were in the State legislature, and it is not only the people that work as the rehabilitation experts, but the individuals with disabilities, who I know in my case, came out, a number of them, this past weekend, when I held office hours in a grocery store, to tell me of their very great concern about this piece of legislation, and that when you merge what is in essence already a block grant program and you merge that into a bigger block grant program, it may not be a merger. It may be a submerging of the particular needs of individuals with disabilities.

I know the gentleman has some more thoughts on this. I do, too. I would be glad to yield to you if you want to respond to some of these concerns, and then I want to add a further comment about the impact on Texas of making this kind of mistake.

Mr. GENE GREEN of Texas. Mr. Chairman, will the gentleman yield?

Mr. DOGGETT. I yield to the gentleman from Texas.

Mr. GENE GREEN of Texas. Mr. Chairman, another colleague of ours wants to join me. I would like to answer our chairman's concern about the current system. He thinks that the sponsors claim the current system is so bad anything is preferable, not this bill.

With that, I know our colleague from Massachusetts has to go to another markup.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DOGGETT. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I appreciate the gentleman from Texas yielding. I wanted to just come to the House floor to speak in strong support of the Green amendment. This vocational rehab has done good work for tens and tens of thousands of some of the disabled people in this country that just simply need a little job training to be able to become productive members of society.

In my own neighborhood in Brighton, MA, there is a voc-rehab center that has trained literally thousands and thousands of people to go into mail rooms, to work at some of the biggest companies and the smallest companies in the city of Boston and the surrounding areas. Over 4,400 people in the State of Massachusetts were helped just last year through this program.

Why in God's name do we have to reform every program in the Government, regardless of whether or not it works or does not? This is fixing a problem that does not exist. You ask every one of the major voc-rehab groups in this country whether or not they want this bill. Their answer is a singular no.

This is a program that works to provide people an opportunity to grow to their full human potential. They have been denied, they have been injured, they have been born with brain defects, with physical deformities. They are struggling to become productive members of society.

The Government has a sort of Lincolnesque Republican idea that we want everyone to be treated equitably. That basic comprehension of how we ought to treat individuals in this country is what are contained in the values of the voc-rehab bill. So why do we have to come just in the name of reform? Are we so desperate to convince the people we are reforming everything in the Government that we will take a problem that does not exist and go and reform that as well?

Mr. Chairman, let us keep the program. Let us support the Green amendment.

Mr. RIGGS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let us be clear about the nature of this debate on the amendment of the gentleman from Texas. What we are really talking about here is whether or not we are going to maintain the status quo. We have heard arguments over the last couple of minutes that the present vocational rehabilitation program is working well, so therefore the argument goes, ''It ain't broke and doesn't need fixing.''

Well, as the chairman of the committee pointed out, if you look at unemployment for disabled persons, the statistics are staggering. Out of 12.6 million severely disabled persons in America today, only 2.9 million are employed, which equals a placement rate of 23 percent.

Furthermore, employment rates for persons with moderate disabilities are comparable with the nondisabled. But employment rates for the severely disabled are drastically lower. So the only conclusion you can make is that the advocates of the status quo, their argument is that vocational rehabilitation should not have a more positive impact on employment.

We also know that the present system is highly procedural and bureaucratic. Out of $2.5 billion, that is the combined Federal and State funding for vocational rehabilitation funding today, 10 percent is spent on administration, 34.6 percent on counseling and placement, and 54.8 percent on purchased services. This is a very process oriented program, and it is one that, by being so monopolistic, has very little to do with performance and results.

In fact, compare it with one program in the private sector, a program called Projects with Industries, a business community partnership which placed 10,901 persons in 1994, 81 percent of whom were disabled, 25 percent of those served by this program were severely disabled and their cost per placement was far less than the current Federal-State program.

So again, I think we have to be clear here. The current vocational rehabilitation system, contrary to the argument we hear from the advocates for the status quo, does not work. The current Federal-State rehabilitation system produces successes that are below comparable private programs and that are proven to not have much long-term impact. Another way to put it is we are not getting very much return on the taxpayer dollar.

The current vocational rehabilitation system segregates persons with disabilities. And in the CAREERS bill, we are integrating vocational rehabilitation with all other job training programs. Therefore, people with disabilities will no longer be ignored by general job training programs, because they have their own system and are forced into that separate system. CAREERS would integrate the different job training programs on a much better basis and it would effectively, and here is where the rub comes in, eliminate the vocational rehabilitation system monopoly.

□ 1615

State vocational rehabilitation systems have no competition, and, without competition, services are not consumer responsive.

So if my colleagues favor the status quo, if they want to see this bureaucracy and process-focused, process-led system continue, which we believe on this side of the aisle leads to wasted funds and poor services, then by all means vote for the gentleman's amendment. But if they are against a monopoly, if they want to see more accountability in the delivery of services, job training services for the disabled, then support the original language in the bill and defeat the gentleman's amendment.

Ms. JACKSON-LEE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Texas, Mr. GENE GREEN.

Mr. GENE GREEN of Texas. Mr. Chairman, I was interested in hearing the gentleman from California [Mr. RIGGS]. I know we share the concern and support for the overall bill but not for this amendment.

You cannot put a rate-of-return requirement or a cost-benefit analysis requirement on vocational rehab services. It costs more to train and educate someone who needs those services than someone who is laid off because of a job.

Let us talk about the program. Let me respond a little bit to our chairman when he talked about the failure of the

current program. We had 1992 amendments that increased the number of persons with disabilities eligible for the services. The agency case loads have risen significantly. Most of those new participants are persons with severe disabilities.

In 1993, the year of the GAO study, when these changes were being phased in, the number and percentage of successful cases closed dipped. The Republicans are now trying to use this statistic to junk the whole system and to talk about how bad it is. It has been serving people for 70 years, and 13 million people have found jobs under the current vocational rehab system. Let us not throw it out and just call for reform.

Let me talk about the GAO study that justifies their attacks. What they do not tell us is that the GAO overall assessment of the rehab program was positive. For every $1 invested in the current programs, it generates $18 in the form of reduced disabilities payments and taxes paid by these participants who obtain employment; whether it is 60 days and they have to come back to be retrained or a year, we are getting an $18 to $1 return. The earnings of persons with disabilities who participate in the program are four times greater than those who did not.

I would like to see it eight times greater, but let us not trash the current system just because they do not like something. We cannot put cost-benefit analysis when we are dealing with disabled people, because we need to make sure we provide that service whether it is cost-effective or not.

Ms. JACKSON-LEE. Mr. Chairman, I want to commend the gentleman from Texas for his amendment. Mr. Chairman, I have heard a very hollow sound. The reason is because we pretend to argue on behalf of those who are physically challenged. I think, if we looked at the real facts, we would find out that who you go to is the consumer.

I have a neighbor who works in rehabilitation. It is my belief and it is her recommendation that the specialized trainer, the specialized professional is the important key to helping the physically and mentally challenged because part of the fullness of what America offers is equality for all. Title V will simply decimate the rehabilitation delivery system. It particularly hurts those who are blind and need special attention in their job training.

I am listening to those on the other side of the aisle argue that they know best, but I can read off a variety of different organizations who support the removal of vocational rehabilitation from H.R. 1617: The Alexander Graham Bell Association of the Deaf, the American Council of the Blind, the American Society for Deaf Children, the Association of Community Based Rehabilitation Personnel. And the list goes on and on and on.

The real key is what has been successful and it has been successful when we focused and made sure that the training for those who are physically and mentally challenged is particularized.

Block grants equal scatter grants. It does not focus. It does not help. It does not enhance. What we have in a vocational training program is the need for a highly specialized process. We need a wealth of expertise. Why would we look at the success of 13 million people going to work and now we are trying to change it?

I am not sure where our colleagues on the other side of the aisle are trying to go. But I can assure them that those who are physically and mentally challenged are on the side of the gentleman from Texas, Mr. GENE GREEN, and those of us who believe that the special attention that we pay to those who are physically and mentally challenged has resulted in a bounty of successful workers, of people taking their rightful place in the American society and the recognition that all are created equal.

I would ask that the House join me and join the gentleman from Texas, Mr. GENE GREEN, in eliminating this provision and accepting the fact that we have a responsibility to ensure an even playing field and to make sure now that 13 million people are at work, that more people who are physically and mentally challenged and the children who need to be trained can also come up and be trained under the right rehabilitation system.

Mr. SOUDER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this debate has baffled me somewhat. It is really at the core of much of what we are trying to do. One of the core assumptions here is that somehow the Governors of the United States are not going to be as sensitive to those who are physically and mentally challenged and need vocational rehabilitation as much as Washington would be, that Washington is the fount for all wisdom, that the laws that we devise here are somehow better able to take care for the people in their States than the Governors themselves who presumably are more responsible and more responsive to the people there on a regular basis than those State legislatures are.

In fact, this bill kept four different block grant categories, one of which was vocational rehabilitation, because we were concerned that there might be some creaming. In that we protected the funding stream.

If we in fact remove title V, it is not clear what we go to conference to the Senate with, since they have more for a general block grant and in fact passing this amendment could hurt both substantively in the sense of flexibility and in this bill in conference committee.

Furthermore, there is a lot of talk about how all the different groups feel on this. In fact, United Cerebral Palsy, the Arc, the Association for Retarded Citizens, Goodwill Industries, oppose taking this section out of the bill because they believe that it will provide more services to the people that they are providing services to and who they serve and who they advocate for. In fact most of the groups who favor this amendment are more people who are participating and getting funds from the Government in this process as opposed to those necessarily working on an individual basis without having a stake in how the programs are administered.

Many of the concerns that were raised earlier as far as State flexibility have been addressed. In fact, if Governors like the existing program really well and they are working in Indiana, for example, I do not think that Governor Bayh thinks a Republican Congress is going to do a better job for taking care of people in Indiana than he does. He is not from my party, but I am willing to give him more flexibility in the State.

I have met individuals in my office who have been served well in a number of programs, visited programs for those who need special vocational rehabilitation in Whitley County and in Huntington County. Those programs are working well.

At the State level they will adapt that and understand that and include those programs that are working well. But to say that we in Washington are the fount for all wisdom, that we cannot block grant and let the people at the local level make these decisions is challenging the core premise for this legislation. It has nothing to do with whether or not we want to serve those who need our help, because in fact we have a category that makes sure the funding stream is there. It is how it is implemented.

Mr. RIGGS. Mr. Chairman, will the gentleman yield?

Mr. SOUDER. I yield to the gentleman from California.

Mr. RIGGS. Mr. Chairman, I just wanted to add one other comment. That is, I served for almost 5 years on the Governor's Committee for Employment for Disabled Persons in California. I really based my experience on the large disability organizations which the gentleman mentioned, which include the United Cerebral Palsy, the Association for Retarded Citizens and Goodwill Industries in opposing removing vocational rehabilitation from Careers. These are the largest advocacy organizations for disabled Americans.

I wanted to just read quickly one paragraph from Joan Thompson, the chairperson for the Governmental Affairs Committee for the Arc. She writes to Chairman GOODLING: Our constituency, as you know, is among the most unemployed and underemployed segments of our society. Many citizens with mental retardation and other disabilities have also faced a lifetime of segregation and a woeful lack of opportunity to become productive members of our society. In this time of significantly constrained Federal spending, it is vital that every program with the

potential to help people get and keep jobs be fully utilized. As employers prepare to assume new roles in work force development, it is imperative that they recognize that people with disabilities are a largely untapped source of new and willing workers. To delink—as the gentleman would do in his amendment—the vocational rehabilitation system from the new system will only serve to isolate the vocational rehabilitation system and people with mental retardation from the employers. No one would gain, except those professionals in the vocational rehabilitation system whose sole agenda is to protect their turf. We do not think that is what reform is all about.

Mr. GENE GREEN of Texas. Mr. Chairman, will the gentleman yield?

Mr. SOUDER. I yield to the gentleman from Texas.

Mr. GENE GREEN of Texas. Mr. Chairman, does the gentleman understand that the original block grant proposal—we have had block grants for 75 years from the Federal Government to the States. Each State already has that ability. It does not take this bill or this amendment to do that.

Mr. SOUDER. Mr. Chairman, but this is less prescriptive and gives flexibility to the States.

Mr. GENE GREEN of Texas. The gentleman understands States already have flexibility, though.

Mr. OWENS. Mr. Chairman, I move to strike the requisite number of words.

(Mr. OWENS asked and was given permission to revise and extend his remarks.)

Mr. OWENS. Mr. Chairman, I rise in strong support of the Green amendment.

Mr. Chairman, I rise in support of the Green amendment for the sake of all Americans with disabilities and for every American that might tomorrow find themselves among those with disabilities.

I think we must exercise the greatest possible care in how we reform the vocational rehabilitation system. Let us not do it haphazardly as this bill is doing it. Let us not do it with confusing last-minute amendments. Let us go back to committee and do it right. That is what the Green amendment is telling us to do.

I support integrating vocational rehabilitation into a one-stop system. I support enhancing consumer choice, and I support adopting a more market oriented approach. But I cannot support the haphazardly constructed mess that we are faced with here in title V.

It is important for Members to understand the shoddiness of the process through which these provisions were developed, very shoddy process.

The bill makes the most far-reaching changes in vocational rehabilitation in 70 years. Yet our committee did not hold a single hearing on these provisions, not one hearing. No public opportunities were provided for people with disabilities who rely on vocational rehabilitation to make comments and suggestions. Everything was drafted behind closed doors without meaningful input from the public.

Unlike other parts of this bill, no efforts have been made to involve the minority in crafting title V. For as long as anyone can remember, disability policy in this House has been forged on a bipartisan basis. Republicans and Democrats worked in harmony together to set policy. That proud tradition ends with this bill.

Everybody recalls the Americans with Disabilities Act. I think we all recall the leadership of Justin Dart in that, in the passage of that act. Justin Dart is a Republican disability activist, and Justin Dart was the Bush administration commissioner for the Rehabilitation Services Administration.

In a letter dated August 30, 1995, Justin Dart says the following: I oppose the Careers Act, H.R. 1617, as it applies to vocational rehabilitation. The present form of H.R. 1617 would be harmful to people with disabilities and the Nation.

I agree wholeheartedly with Justin Dart. To make matters worse, the sponsors of this bill keep making dramatic changes in title V at the last minute. Last Friday one set of changes was made. Late last night another set were made. This morning still another set of changes. Instead of improving the bill, each one of these changes had made title V progressively stranger and more convoluted.

□ 1630

What these new provisions will do is impossible to know for sure. Preschoolers take greater care in making a fingerpainting than the sponsors of this bill have in putting together title V. They have great contempt for the community of people with disabilities in this process.

The sponsors say that anything is better than the current system. That is garbage. Some 9 million Americans with disabilities now have jobs, thanks to this program; 1.2 million are currently receiving services. The program's performance has been improving impressively. The job placement rolls increased 6.4 percent last year over the previous year. This year they are estimated to go up another 6 percent.

The system is also doing more with less. The number of persons served has skyrocketed since 1992, while the funds have remained even. Most of these new persons being served have the most severe disabilities, also.

I recently received a letter from a woman in Parkersburg, WV who did not think anything is better than the current system. She was first disabled in a car accident and then abandoned by her husband after he got his hands on her insurance check. She could not afford a private hospital. She called vocational rehabilitation. She writes, ''I was treated wonderful. They taught me everything, like how to get in and out of bed, the shower, and how to drive with hand controls, all of this all by myself. They gave me back my independence. I am living at home, caring for the children, doing almost all I did before the accident. I thank God voc rehab exists, and I pray it will be there for others. Until you have been in my shoes, you cannot understand the destruction that passing H.R. 1617 would cause.''

None of the people with disabilities have had a chance to say to the committee, to the majority Republicans in this House, what great destruction H.R. 1617 would cause. I hope that perhaps the committee managers would reconsider at this point in light of the bipartisan opposition to the bill, and recall it, and let us start all over on title V.

Mr. MCKEON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I appreciate the opportunity of rising to speak in strong opposition to the Green amendment. I think one thing needs to be clarified. There was a comment that we never had hearings on this. We did have hearings. We did hear from people. We specifically wanted to have input from the people that would be involved, and we have letters here from many different groups that support the bill, that do not want to be excluded from the bill. I think it is important that we hear what they have to say.

The United Cerebral Palsy Association wrote this letter to Chairman GOODLING. They indicate their strong support of the bill and their opposition to an amendment that would exclude this block from the bill. It says: ''UCPA,'' the United Cerebral Palsy Association, ''is a network of 155 affiliate organizations across America that are committed to advancing the independence, productivity, and full citizenship of people with disabilities. UCPA has worked diligently with House staff to ensure that the CAREERS Act will assist in furthering employment for people with disabilities and not create yet more barriers in their path.''

We have also heard from Goodwill Industries, who have done great work. Last year they helped 23,000 people who were in some way disabled in employment. They also strongly support the bill and oppose this amendment.

We have several letters that are similar that support the bill. They have been working with us. We have been working with them, right up until the current moment, to make sure that we are able to provide better service and reach out to all of these people.

That is the whole purpose of the bill, is to reach down into the local community, to reach more people, to have better service.

There have been other things said about Governors who support or do not support it. Let me read this letter that was just received from the Republican Governors' Association:

''Dear Bill,'' speaking of the chairman of the committee, the gentleman

from Pennsylvania, Mr. GOODLING, ''as members of the Republican Governors' Association Task Force on Work Force Development, we write to clarify our position on the Vocational Rehabilitation Title,'' which is title V, ''of the CAREERS Act.

''While we have previously expressed numerous concerns related to design and delivery of services through title V of the act, we firmly believe this title should be included in the CAREERS Act. It is essential that vocational rehabilitation services be integrated as part of the overall State work force development system.''

I think it has been mentioned, we have covered this strongly, that we are trying to reach out and help these people. They have participated in the hearings that we held, and while everybody is not totally satisfied, this bill does the best job in improving over the status quo and in reaching out.

Mr. RIGGS. Mr. Chairman, will the gentleman yield?

Mr. MCKEON. I yield to the gentleman from California.

Mr. RIGGS. I appreciate the distinguished chairman of the subcommittee yielding to me.

I think it is important to stress, Mr. Chairman, just before we prepare to vote here, that we completely reform and overhaul the Federal job training programs. We create these four consolidated block grants. This is the only block grant where we not only maintain the current level of funding, but increase funding. I want to impress upon my colleagues that under our proposal, under the CAREERS Act, we are increasing funding for vocational rehabilitation employment-related services. I appreciate the gentleman for yielding so I could make that point.

Mr. MCKEON. Reclaiming my time, I think this brings up another very important point. The gentleman from New Hampshire [Mr. ZELIFF] who spoke earlier today, had a bill that tried to do some of the same things. His bill was one block grant out to the local States and communities. One of the main reasons why we broke out into four block grants was specifically so we could help and do a better job with vocational rehabilitation. Vote ''no'' on the Green amendment. Support the bill.

Mrs. MINK of Hawaii. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Green amendment. The issue that I believe has been misunderstood is the question of the block grant. The legislation that is being proposed here today is not creating a new block grant for vocational rehabilitation. The vocational rehabilitation program has always been under a block grant. That is the current program that is in effect today.

The second misunderstanding is that this bill that is before us is going to create flexibility for the States in operating the program. The current program affords the States full flexibility in designing the programs which they feel are required to meet the needs of their disabled population and paying particular attention to those who are severely disabled, who have been through accidents, who have had stokes and other kinds of very debilitating experiences.

The current program has met the national requirements. It has fulfilled the needs of our local population. It has abided by performance and quality standards which the Congress has set, and yet it has given the States broad discretion in determining how to meet those standards.

The difficulty that we have in accepting title V, as written in the bill, is that the committee, the people that are responsible for writing this legislation, have not had any opportunity to deliberate on the needs and the specific reasons for consolidating this program into a new form of support for the States. Without that opportunity of hearing from the constituency, from the providers and so forth, it seems to me foolhardy for the Congress to now change a program that has been so successful.

Title V of this bill establishes a very prescriptive, one-size-fits-all rehabilitation delivery system for every State, based upon the concept of private enterprise market-driven forces.

Under title V of this bill, vocational rehabilitation clients would be provided vouchers through the work force development board, or a one-stop-career center, to shop for their own services. The availability of services in this private enterprise market-driven system is almost beyond belief as to how it could service this extremely disadvantaged population that needs a different character and mode of service, as has already been described. There is no guarantee whatsoever in the legislation that I can find that this one-stop opportunity, as they are saying they are providing, is going to meet the needs of these individuals.

Someone said earlier in the debate, in defending title V, that what is being done here is that the Congress is somehow substituting for what the people out there in the community have expressed in other areas as changes that must be made. Let me tell the Members that I am not here defending the providers and the bureaucracy of the State. I am here defending the people who have said to me time and time again one of the most wonderful services they have found available in their States currently are the services under the vocational rehabilitation program.

I have a letter here today that I received from a Curtis Inoue in Honolulu. I did not solicit this letter, but he was alarmed when he heard about what was happening to the program under title V. Let me read a portion of the letter.

He says, and I quote, ''Public vocational rehabilitation has proven to be a successful cost-effective method of providing gainful employment to individuals with disabilities. I speak from experience, as an individual who is deaf. I have benefited greatly from vocational rehabilitation services. Whereas I was once a Supplemental Security Income recipient and Medicare beneficiary, I am now a productive, taxpaying citizen, thanks to public vocational rehabilitation services.

''I simply cannot see how the unique needs of individuals with disabilities can be met through generic programs that serve broad categories of individuals seeking employment. Vocational rehabilitation professionals with specialized skills are an essential component of ensuring long-term job retention for persons with disabilities. There is no way that I and many others would be in the position that we are in without having had such services. Please vote to sustain separate funding and services for vocational rehabilitation programs, and encourage your colleagues to do the same.''

I rise to ask my colleagues to do exactly that.

Mr. GOODLING. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK of Hawaii. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. First, Mr. Chairman, I would say that I am very happy that the present legislation we have before us does keep the separate funding.

The CHAIRMAN. The time of the gentlewoman from Hawaii [Mrs. MINK] has expired.

(On request of Mr. GOODLING and by unanimous consent, Mrs. MINK of Hawaii was allowed to proceed for 10 additional seconds.)

Mr. GOODLING. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK of Hawaii. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, the gentlewoman mentioned prescriptive. I merely wanted to say current law has 37 major requirements. The CAREERS bill has only 14.

Mr. ENGEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, before I begin, I yield to the gentleman from Texas, Mr. GENE GREEN, who correctly points out that the National Association of Governors, the bipartisan group of Governors, not only supports this bill, but supports the Green amendment to this bill.

Mr. GENE GREEN of Texas. Mr. Chairman, I thank my colleague from New York for yielding to me. I am glad he pointed that out. Again, the Governors are not here on the floor of the House. They have their authority in the State legislatures and they can work their will there, but we do have a battle of letters here today from Republican Governors, national Governors. The national Governors do support the flexibility of keeping vocational rehabilitation as a separate revenue source or a separate stream, separate from this CAREERS bill, because it has worked for 70 years. Sure, they have gone through reforms in 1992, and we will reform them again, but we do

not need to do it by lumping them all together with everyone else.

Mr. ENGEL. Reclaiming my time, Mr. Chairman, I rise in strong support of the Green amendment. I have many reservations about the bill, and this amendment addresses one of my chief concerns. I do understand and agree with many of the points in support of the bill. The CAREERS bill does eliminate much of the overlap that exists in many Federal education and training programs. I am pleased that some effort is being made to correct the problems that exist. However, I feel that the negatives of this bill outweigh the positives, and would end up damaging the system that is in effect, rather than fixing it. Unless changes such as the amendment of the gentleman from Texas approved, it would be very difficult for me to support the bill.

This bill goes too far, I believe, in addressing problems that need to be corrected. Instead of dealing with overlap and waste, the CAREERS bill virtually guts the job training system for one that has little accountability and not enough safeguards for those who need these programs to improve their lives.

I did not have the chance to speak on the amendment offered by the gentleman from Montana [Mr. WILLIAMS] earlier, but I would like to take a while to comment on it here. As this bill is written, the Governors would have the chief authority to monitor funds provided by the Federal Government. The authors of the bill claim this will cut bureaucracy. However, instead of cutting bureaucracy, I believe this bill would actually increase it on the State level.

□ 1645

In my State of New York, the bill would impose a dual system of services for recipients. Currently a State system has been established through the provisions of the State constitution and statutes promulgated by the State legislature. This system administers both State and Federal funding.

However, the CAREERS bill will set up a separate system to monitor the Federal funding, to be administered by the Governor. Instead of improving services for New York recipients, this legislation will now install two levels of bureaucracy, making it more difficult to receive the same services. This is not the direction that this bill should be taking.

The proposal to change the way the vocational rehabilitation system is structured is totally unacceptable to me as currently written. The bill would limit State flexibility and create uneven access to services to those that are truly needy.

I am concerned that the specialized services that the people who depend on these programs require could be sacrificed in order to satisfy the financial requirements of the bill. Consolidating the specialized programs under this system with generic work force preparation activities could jeopardize the recipients of vocational rehabilitation services. Populations such as the blind and disabled need our full attention and must not be shortchanged.

The current system is fully supported by the disability community and is kept intact in the Senate bill. We must strike title V from this bill so that we can continue to help those who most need it. In the fervor to allegedly cut bureaucracy through the use of large block grants, we may just be creating new problems without taking care of the needs of the recipients.

Mr. Chairman, this bill has many flaws. It is underfunded, it has far too much consolidation, and it severely and adversely changes the vocational rehabilitation system.

This amendment can at least save the vocational rehabilitation system so that our recipients can be properly served. We are already cutting too much from the recipients. Let us not limit their access any further.

I want to conclude by saying what I have said many times in the past. I do not believe that block grants are a panacea to the needs of the States. They only work if they are fully funded, and this bill cuts a great deal.

I have grave reservations but believe that by supporting the gentleman's amendment, this bill will then go in the right direction. I urge my colleagues to support it.

Mr. WILLIAMS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, vocational rehabilitation is not broken, and I have not heard anyone claim it is. Vocational rehabilitation is one of the most important mechanisms in America, successfully administered and applied, for assisting individuals with disabilities in obtaining primarily 3 things: Productive employment, to live independently, and to thrive in mainstream society. The system is not broken. It works.

I support the gentleman's amendment because he recognizes and his amendment cures the problem that the bill as now written with regard to vocational rehabilitation—by the way, I want to say parenthetically, I still want a bipartisan approach to this bill and I am still for this bill. We have worked a lot on it in a very bipartisan way.

But the gentleman from Texas understands that the bill disrupts the current vocational rehabilitation system by limiting State flexibility, by diluting accountability and, worse, in the name of vouchers and private sector evening, private sector delivery, it creates uneven access to services. The rehabilitation clients who need the most services, the most attention, the most application, would be the ones least served under the legislated proposal.

Vouchers would not be an appropriate mechanism for the most severely disadvantaged citizens in need of vocational rehabilitation to be served. If one doubts that, look at the outpouring of opposition that greeted this bill from the disability community itself.

I suppose your phones have continued to ring all day long with opposition from the disability community. No, these are not State employees. These are people in need of help who like the system they now have because it is serving them properly. It does work.

We have heard just within the last hour or so from the National Association of Protection and Advocacy Systems, support the gentleman's amendment. We have heard from the Rehabilitation and Continuing Education Programs Consortium, from the National Council on Rehabilitation Education, from the National Association of Developmental disabilities Councils.

The University of Tennessee at Knoxville, their College of Education, the Rehabilitation and Deafness Unit has written to us saying the bill is not right as it is, it needs fixing in the rehab department. They like the Green amendment. The National Rehabilitation Association, the Council of State Administrators of Vocational Rehabilitation, the National Council of State Agencies for the Blind.

These are the users of this system. These are the clients. These are the people that need the help, that get the service every day, saying the Green amendment is the right way to do this.

Let me make a suggestion. I urge my colleagues to drop this title from the bill, vote to drop this title from the bill. Let us review, in concert with the disability community, the vocational rehabilitation community, what we might do together as we move to conference.

If anybody thinks that we have already spent a long, long time on this vocational rehabilitation problem, let me tell the Members we have not. We had one hearing. I am the ranking member on the subcommittee. We had one hearing.

We heard primarily from the industry that would benefit by these vouchers. Everyone else that came before our hearing would have been in support of the Green amendment and was opposed to the bill as it sat. So the rehabilitation community is saying, ''Slow down, wait a minute, you really are trying to fix something here that is not broken and works quite well.''

I urge Members on both the Democrat and Republican side to listen to the disability community that is in need of this vocational rehabilitation. Vote to drop this title from the bill, and let us sit down as we have thus far and work this out in a bipartisan manner.

Mrs. FOWLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. GOODLING. Mr. Chairman, will the gentlewoman yield?

Mrs. FOWLER. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. I thank the gentlewoman for yielding.

Mr. Chairman, I will just take a minute. First of all, I want to make sure that everybody understands, vouchers is an administration proposal. The administration, I believe, of that side of the aisle. But it is an administration proposal. That is what vouchers are all about.

Second, in Georgia at the present time, they are using vouchers to serve the most disabled, the most disabled.

Lastly, all the references we just heard were references from State employees, State government, all of those who have some special concern. We did not hear those references from the severely disabled individuals.

I would hope that we can save the bill. The only way we can do that, of course, is to defeat this amendment.

Mr. BROWN of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of this amendment.

Mr. GENE GREEN of Texas. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Texas.

Mr. GENE GREEN of Texas. I thank my colleague the gentleman from California for yielding.

Mr. Chairman, I think we are getting down to calling a vote on the amendment. Let me try and sum up the debate we have had for a good while here.

We have 2 different groups of governors. I have a letter from the National Governors Association saying they support the amendment, that we have had flexibility in vocational rehab for 70 years, it is the original block grant. Why lose a program that is effective, that was changed in 1992 and will be up for reauthorization in 2 years? Why should we lose that and lose that flow to our disabled community?

Let me talk about what the CAREERS Act would do. Under current law, eligible individuals are guaranteed access to the same quality and range of services no matter where they reside in a State. This guarantee would be eliminated under title V, whether the Work Force Development Board and their community had decided to provide this service, whether the work force development area could afford the service. That is why we need a State agency to provide this support and that is why the current system does not need to be lumped in with the CAREERS bill. The CAREERS bill is a good bill, I was proud to vote for it in committee as it came out with the understanding we would be able to address voc rehab. We have not been able to to the satisfaction of the client organizations that I have heard from. Again, we have client organizations, I understand, on both sides. But when there is confusion, we should not disrupt the system, we should let that be separate. Vocational rehabilitation is too important to have it lumped in with the general population. Let us keep that emphasis for vocational rehab for those clients who need it.

Mr. BROWN of California. Mr. Chairman, let me just conclude by saying that I have a very strong interest in this particular area. I began my career here in Congress more than 30 years ago serving on the then Committee on Education and Labor and being actively involved in the creation of some of these programs. I share the views that have been expressed here that when you have a good program that is working effectively, you should not try and make too many changes in it. I hope that I will be able to support this bill as we bring it to final passage. My ability to do that, of course, would be greatly assisted if we could also adopt this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas, Mr. GENE GREEN.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. GENE GREEN of Texas. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 231, noes 192, not voting 11, as follows:

[Roll No. 670]

AYES—231

Abercrombie
Ackerman
Andrews
Baesler
Baker (LA)
Baldacci
Barcia
Barrett (WI)
Barton
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Blute
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (OH)
Bryant (TX)
Buyer
Cardin
Chapman
Chenoweth
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Crapo
Cremeans
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Duncan
Durbin
Edwards
Ehrlich
Engel
English
Ensign
Eshoo
Evans
Farr
Fattah
Fazio
Filner
Flake
Flanagan
Foglietta
Forbes
Ford
Frank (MA)
Frost
Funderburk
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hayes
Hefner
Heineman
Hilliard
Hinchey
Hobson
Holden
Horn
Hoyer
Jackson-Lee
Jacobs
Johnson (SD)
Johnson, E. B.
Johnston
Jones
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
LaTourette
Lazio
Leach
Levin
Lewis (GA)
Lightfoot
Lincoln
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McCrery
McDermott
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mfume
Miller (CA)
Mineta
Minge
Mink
Mollohan
Montgomery
Morella
Murtha
Nadler
Neal
Ney
Nussle
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Pryce
Rahall
Ramstad
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schiff
Schroeder
Schumer
Scott
Serrano
Skaggs
Skelton
Slaughter
Smith (NJ)
Spratt
Stark
Stenholm
Stockman
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Waldholtz
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Zimmer

NOES—192

Allard
Archer
Armey
Bachus
Baker (CA)
Ballenger
Barr
Barrett (NE)
Bartlett
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Christensen
Chrysler
Clinger
Collins (GA)
Combest
Cooley
Cox
Crane
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Doolittle
Dornan
Dreier
Dunn
Ehlers
Emerson
Everett
Ewing
Fawell
Foley
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Gallegly
Ganske
Gekas
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hilleary
Hoekstra
Hoke
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
Laughlin
Lewis (CA)
Lewis (KY)
Linder
Livingston
Longley
Lucas
Manzullo
Martini
McCollum
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Moran
Myers
Myrick
Nethercutt
Neumann
Norwood
Oxley
Packard
Parker
Paxon
Petri
Pombo
Porter
Portman
Quillen
Quinn
Radanovich
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Upton
Vucanovich
Walker
Wamp
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—11

Brown (FL)
Fields (LA)
Fields (TX)
Jefferson
Moakley
Oberstar
Reynolds
Sisisky
Tucker
Volkmer
Walsh

□ 1720

The Clerk announced the following pair:

On this vote:

Mr. Moakley for, with Mr. Fields of Texas against.

Mr. BAKER of California changed his vote from ''aye'' to ''no.''

Messrs. FORBES, ENSIGN, HORN, DINGELL, WATTS of Oklahoma, and BARTON of Texas changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. FIELDS of Louisiana. Mr. Speaker, on rollcall vote Nos. 664, 665, 666, 667, 668, 669, and 670 I was unavoidably detained in my district. Had I been present, I would have voted ''aye'' on 664, ''aye'' on 665, ''aye'' on 666, ''no'' on 667, ''aye'' on 668, ''no'' on 669, and ''aye'' on 670.

PERSONAL EXPLANATION

Mr. WALSH. Mr. Speaker, on rollcall No. 670 I was unavoidably detained. Had I been present in the Chamber, I would have noted ''aye'' on the amendment offered by the gentleman from Texas, Mr. GENE GREEN.

The CHAIRMAN. Are there further amendments to title V?

If not, the Clerk will designate title VI.

The text of title VI is as follows:

TITLE VI—HIGHER EDUCATION PRIVATIZATION

SEC. 601. REORGANIZATION OF THE STUDENT LOAN MARKETING ASSOCIATION THROUGH THE FORMATION OF A HOLDING COMPANY.

(a) AMENDMENT.—Part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.) is amended by inserting after section 439 (20 U.S.C. 1087–2) the following new section:

''SEC. 440. REORGANIZATION OF THE STUDENT LOAN MARKETING ASSOCIATION THROUGH THE FORMATION OF A HOLDING COMPANY.

''(a) ACTIONS BY THE ASSOCIATION'S BOARD OF DIRECTORS.—The Board of Directors of the Association shall take or cause to be taken all such action as it deems necessary or appropriate to effect, upon the shareholder approval described in subsection (b), a restructuring of the common stock ownership of the Association, as set forth in a plan of reorganization adopted by the Board of Directors (the terms of which shall be consistent with this Act) so that all of the outstanding common shares shall be directly owned by an ordinary business corporation chartered under State or District of Columbia law (the 'Holding Company'), as the Board of Directors may determine. Such actions may include, in the Board's discretion, a merger of a wholly owned subsidiary of the Holding Company with and into the Association, which would have the effect provided in the plan of reorganization and the law of the jurisdiction in which such subsidiary is incorporated. As part of the restructuring, the Board of Directors may cause (1) the common shares of the Association to be converted, at the reorganization effective date, to common shares of the Holding Company on a one for one basis, consistent with applicable State or District of Columbia law, and (2) Holding Company common shares to be registered with the Securities and Exchange Commission.

''(b) SHAREHOLDER APPROVAL.—The plan of reorganization adopted by the Board of Directors pursuant to subsection (a) shall be submitted to common stockholders of the Association for their approval. The reorganization shall occur at the reorganization effective date, provided that the plan of reorganization has been approved by the affirmative votes, cast in person or by proxy, of the holders of a majority of the issued and outstanding shares of the Association common stock.

''(c) TRANSITION.—

''(1) IN GENERAL.—Except as specifically provided in this section, until the dissolution date the Association shall continue to have all of the rights, privileges and obligations set forth in, and shall be subject to all of the limitations and restrictions of, section 439 of this Act as in effect on the effective date of this section, and the Association shall continue to carry out the purposes of such section. The Holding Company and its affiliates other than the Association shall not be entitled to any of the rights, privileges and obligations, and shall not be subject to the limitations and restrictions, applicable to the Association under section 439 of this Act as in effect on the effective date of this section, except as specifically provided in this section. The Holding Company and its subsidiaries (other than the Association) shall not purchase loans insured under this Act until such time as the Association ceases acquiring such loans, except that the Association shall continue to acquire loans as a lender of last resort pursuant to section 439(q) of this Act or under an agreement with the Secretary described in section 440(c)(6).

''(2) TRANSFER OF CERTAIN PROPERTY.—Except as specifically provided in this section, at the reorganization effective date or as soon as practicable thereafter, the Association shall use its best efforts to transfer to the Holding Company or its subsidiaries (or both), in each case, as directed by the Holding Company, all real and personal property of the Association (both tangible and intangible) other than the remaining property. Without limiting the preceding sentence, such transferred property shall include all right, title and interest in (A) direct or indirect subsidiaries of the Association (excluding any interest in any government sponsored enterprise), (B) contracts, leases, and other agreements, (C) licenses and other intellectual property, and (D) any other property of the Association. Notwithstanding the preceding provisions of this paragraph, nothing in this paragraph shall be construed to prohibit the Association from transferring remaining property from time to time to the Holding Company or its subsidiaries, subject to the provisions of paragraph (4).

''(3) TRANSFER OF PERSONNEL.—At the reorganization effective date, employees of the Association shall become employees of the Holding Company (or of the subsidiaries), and the Holding Company (or the subsidiaries or both) shall provide all necessary and appropriate management and operational support (including loan servicing) to the Association, as requested by the Association. The Association may, however, obtain such management and operational support from other persons or entities.

''(4) DIVIDENDS.—The Association may pay dividends in the form of cash or noncash distributions so long as at the time of the declaration of such dividends, after giving effect to the payment of such dividends as of the date of such declaration by the Board of Directors of the Association, the Association's capital would be in compliance with the capital standards set forth in section 439(r) of this Act. If, at any time after the reorganization effective date, the Association fails to comply with such capital standards, the Holding Company shall be obligated to transfer to the Association additional capital in such amounts as are necessary to ensure that the Association again complies with the capital standards.

''(5) VALUATION OF NONCASH DISTRIBUTIONS.—After the reorganization effective date, any distribution of noncash assets by the Association to the Holding Company shall be valued at book value on the date the Association's Board of Directors approved such distribution for purposes of calculating compliance with section 439(r) of this Act.

''(6) RESTRICTIONS ON NEW BUSINESS ACTIVITY OR ACQUISITION OF ASSETS BY ASSOCIATION.—After the reorganization effective date, the Association shall not engage in any new business activities or acquire any additional program assets described in section 439(d) of the Act other than—

''(A) in connection with (i) student loan purchases through September 30, 2003, and (ii) contractual commitments for future warehousing advances or pursuant to letters of credit or standby bond purchase agreements which are outstanding as of the reorganization effective date;

''(B) in connection with its serving as a lender-of-last-resort pursuant to section 439 of this Act; and

''(C) in connection with its purchase of loans insured under this part, if the Secretary, with the approval of the Secretary of the Treasury, enters into an agreement with the Association for the continuation or resumption of its secondary market purchase program because the Secretary determines there is inadequate liquidity for loans made under this part.

The Secretary is authorized to enter into an agreement described in subparagraph (C) with the Association covering such secondary market activities.

Any agreement entered into under subparagraph (C) shall cover a period of 12 months, but may be renewed if the Secretary determines that liquidity remains inadequate. The fee provided under section 439(h)(7) shall not apply to loans acquired under any such agreement with the Secretary.

''(7) ISSUANCE OF DEBT OBLIGATIONS DURING THE TRANSITION PERIOD; ATTRIBUTES OF DEBT OBLIGATIONS.—After the reorganization effective date, the Association shall not issue debt obligations which mature later than September 30, 2007, except in connection with serving as a lender-of-last-resort pursuant to section 439 of this Act or with purchasing loans under an agreement with the Secretary as described in paragraph (6) of this subsection. Nothing in this subsection shall modify the attributes accorded the debt obligations of the Association by section 439, regardless of whether such debt obligations are incurred prior to, or at any time following, the reorganization effective date or are transferred to a trust in accordance with subsection (d).

''(8) MONITORING OF SAFETY AND SOUNDNESS.—

''(A) OBLIGATION TO OBTAIN, MAINTAIN, AND REPORT INFORMATION.—The Association shall obtain such information and make and keep such records as the Secretary of the Treasury may from time to time prescribe concerning (i) the financial risk to the Association resulting from the activities of any of its associated persons, to the extent such activities are reasonably likely to have a material impact on the financial condition of the Association, including its capital ratio, its liquidity, or its ability to conduct and finance its operations, and (ii) the Association's policies, procedures, and systems for monitoring and controlling any such financial risk. The Association's obligations under this subsection with respect to any associated person which is a third party servicer (as defined in 34 C.F.R. 682.200(b)) shall be limited to providing to the Secretary of the Treasury copies of any reports

or other information provided to the Secretary of Education pursuant to 34 C.F.R. 682.200 et seq. The Secretary of the Treasury may require summary reports of such information to be filed no more frequently than quarterly. For purposes of this paragraph, the term 'associated person' shall mean any person, other than a natural person, directly or indirectly controlling, controlled by, or under common control with the Association.

''(B) SEPARATE OPERATION OF CORPORATIONS.—

''(i) The funds and assets of the Association shall at all times be maintained separately from the funds and assets of the Holding Company or any of its other subsidiaries and may be used solely by the Association to carry out its purposes and to fulfill its obligations.

''(ii) The Association shall maintain books and records that clearly reflect the assets and liabilities of the Association, separate from the assets and liabilities of the Holding Company or any of its other subsidiaries.

''(iii) The Association shall maintain a corporate office that is physically separate from any office of the Holding Company or any of its subsidiaries.

''(iv) No director of the Association that is appointed by the President pursuant to section 439(c)(1)(A) may serve as a director of the Holding Company.

''(v) At least one officer of the Association shall remain an officer solely of the Association.

''(vi) Transactions between the Association and the Holding Company or its other subsidiaries, including any loan servicing arrangements, shall be on terms no less favorable to the Association than the Association could obtain from an unrelated third party offering comparable services.

''(vii) The Association shall not extend credit to the Holding Company or any of its affiliates, nor guarantee or provide any credit enhancement to any debt obligations of the Holding Company or any of its affiliates.

''(viii) Any amounts collected on behalf of the Association by the Holding Company or any of its other subsidiaries with respect to the assets of the Association, pursuant to a servicing contract or other arrangement between the Association and the Holding Company or any of its other direct or indirect subsidiaries, shall be collected solely for the benefit of the Association and shall be immediately deposited by the Holding Company or such other subsidiary to an account under the sole control of the Association.

''(C) ENCUMBRANCE OF ASSETS.—Notwithstanding any otherwise applicable Federal or State law, rule, or regulation, or legal or equitable principle, doctrine, or theory to the contrary, under no circumstances shall the assets of the Association be available or used to pay claims or debts of or incurred by the Holding Company. Nothing in this subparagraph shall limit the right of the Association to pay dividends not otherwise prohibited hereunder or limit any liability of the Holding Company explicitly provided for in this part.

''(D) HOLDING COMPANY ACTIVITIES.—After the reorganization effective date and prior to the dissolution of the Association in accordance with section 440(d), Holding Company activities shall be limited to ownership of the Association and any other subsidiaries. All business activities shall be conducted through subsidiaries.

''(9) ASSOCIATION BOARD OF DIRECTORS.—Notwithstanding any other provision of part B of this title, after the reorganization effective date, the 14 directors of the Association elected by the Association's stockholders (which immediately after the reorganization effective date shall be the Holding Company) shall no longer be required to meet the eligibility requirements set forth in section 439(c).

''(10) ISSUANCE OF STOCK WARRANTS.—At the reorganization effective date, the Holding Company shall issue to the Secretary of the Treasury 200,000 stock warrants, each entitling the holder of the stock warrant to purchase from the Holding Company one share of the registered common stock of the Holding Company at any time on or before September 30, 2007. The exercise price for such warrants shall be an amount equal to the average closing price of the common stock of the Association for the 20 business days prior to and including the date of enactment of this section on the exchange or market which is then the primary exchange or market for the common stock of the Association, subject to any adjustments necessary to reflect the conversion of Association common stock into Holding Company common stock as part of the plan of reorganization approved by the Association's shareholders.

''(11) RESTRICTIONS ON TRANSFER OF ASSOCIATION SHARES AND BANKRUPTCY OF ASSOCIATION.—After the reorganization effective date, the Holding Company shall not sell, pledge, or otherwise transfer the outstanding shares of the Association, or agree to or cause the liquidation of the Association or cause the Association to file a petition for bankruptcy under title 11, United States Code, without prior approval of the Secretary of the Treasury and the Secretary of Education.

''(d) TERMINATION OF THE ASSOCIATION.—The Association shall dissolve, and its separate existence shall terminate on September 30, 2007, after discharge of all outstanding debt obligations and liquidation pursuant to this subsection. The Association may dissolve pursuant to this subsection prior to such date by notifying the Secretary of Education and the Secretary of the Treasury of its intention to dissolve, unless within 60 days of receipt of such notice the Secretary of Education notifies the Association that it continues to be needed to serve as a lender of last resort pursuant to section 439(q) of this Act or continues to be needed to purchase loans under an agreement with the Secretary described in subsection (c)(6) of this section. On the dissolution date, the Association shall take the following actions:

''(1) ESTABLISHMENT OF A TRUST.—The Association shall, under the terms of an irrevocable trust agreement in form and substance satisfactory to the Secretary of the Treasury, the Association and the appointed trustee, irrevocably transfer all remaining obligations of the Association to the trust and irrevocably deposit or cause to be deposited into such trust, to be held as trust funds solely for the benefit of holders of the remaining obligations, money or direct noncallable obligations of the United States of America or any agency thereof for which payment the full faith and credit of the United States is pledged, maturing as to principal and interest in such amounts and at such times as are determined by the Secretary of the Treasury to be sufficient, without consideration of any significant reinvestment of such interest, to pay the principal of, and interest on, the remaining obligations in accordance with their terms. To the extent the Association cannot provide money or qualifying obligations in the amount required, the Holding Company shall be required to transfer money or qualifying obligations to the trust in the amount necessary to prevent any deficiency.

''(2) USE OF TRUST ASSETS.—All money, obligations, or financial assets deposited into the trust pursuant to this subsection shall be applied by the trustee to the payment of the remaining obligations assumed by the trust. Upon the fulfillment of the trustee's duties under the trust, any remaining assets of the trust shall be transferred to the Holding Company or its subsidiaries, or both, as directed by the Holding Company.

''(3) OBLIGATIONS NOT TRANSFERRED TO THE TRUST.—The Association shall make proper provision for all other obligations of the Association, including the repurchase or redemption, or the making of proper provision for the repurchase or redemption, of any preferred stock of the Association then outstanding. Any obligations of the Association which cannot be fully satisfied shall become liabilities of the Holding Company as of the date of dissolution.

''(4) TRANSFER OF REMAINING ASSETS.—After compliance with paragraphs (1), and (3), the Association shall transfer to the Holding Company any remaining assets of the Association.

''(e) OPERATION OF THE HOLDING COMPANY.—

''(1) HOLDING COMPANY BOARD OF DIRECTORS.—The number and composition of the Board of Directors of the Holding Company shall be determined as set forth in the Holding Company's charter or like instrument (as amended from time to time) or bylaws (as amended from time to time) and as permissible under the laws of the jurisdiction of its incorporation.

''(2) HOLDING COMPANY NAME.—The names of the Holding Company and any subsidiary of the Holding Company other than the Association—

''(A) may not contain the name 'Student Loan Marketing Association'; and

''(B) may contain, to the extent permitted by applicable State or District of Columbia law, 'Sallie Mae', or variations thereof or such other names as the Board of Directors of the Association of the Holding Company shall deem appropriate.

''(3) USE OF SALLIE MAE NAME.—Without limiting paragraph (2), the Association may assign to the Holding Company, or any other subsidiary of the Holding Company, the 'Sallie Mae' name as a trademark and service mark, except that neither the Holding Company nor any subsidiary of the Holding Company other than the Association or a subsidiary of the Association may use the 'Sallie Mae' name on, or to identify the issuer of, any debt obligation or other security offered or sold by the Holding Company or any such subsidiary. The Association shall remit to the Secretary of Treasury $5,000,000 during fiscal year 1996 as compensation for the right to assign such trademark or service mark.

''(4) DISCLOSURE REQUIRED.—Until 3 years after the dissolution date, the Holding Company, and any subsidiary of the Holding Company other than the Association, shall prominently display—

''(A) in any document offering its securities, that the obligations of the Holding Company and any such subsidiary are not guaranteed by the full faith and credit of the United States; and

''(B) in any advertisement or promotional materials which use the 'Sallie Mae' name or mark, a statement that neither the Holding Company nor any such subsidiary is a Government-sponsored enterprise or instrumentality of the United States.

''(f) STRICT CONSTRUCTION.—Except as specifically set forth in this section, nothing contained in this section shall be construed to limit the authority of the Association as a federally chartered corporation, or of the Holding Company as a State or District of Columbia chartered corporation.

''(g) RIGHT TO ENFORCE.—The Secretary of Education or the Secretary of the Treasury, as appropriate, may request the Attorney General of the United States to bring an action in the United States District Court for the District of Columbia for the enforcement

of any provisions of this section, or may, under the direction or control of the Attorney General, bring such an action. Such court shall have jurisdiction and power to order and require compliance with this section.

''(h) DEADLINE FOR REORGANIZATION EFFECTIVE DATE.—This section shall be of no further force and effect in the event that the reorganization effective date does not occur on or before 18 months after the date of enactment of this section.

''(i) DEFINITIONS.—For purposes of this section:

''(1) The term 'Association' means the Student Loan Marketing Association.

''(2) The term 'dissolution date' shall mean September 30, 2007, or such earlier date as the Secretary of Education permits the transfer of remaining obligations in accordance with subsection (d) of this section.

''(3) The term 'reorganization effective date' means the effective date of the reorganization as determined by the Board of Directors of the Association, which shall not be earlier than the date that stockholder approval is obtained pursuant to subsection (b) of this section and shall not be later than the date that is 18 months after the date of enactment of this section.

''(4) The term 'Holding Company' means the new business corporation formed pursuant to this section by the Association under the laws of any State of the United States or the District of Columbia.

''(5) The term 'remaining obligations' shall mean the debt obligations of the Association outstanding as of the dissolution date.

''(6) The term 'remaining property' shall mean the following assets and liabilities of the Association which are outstanding as of the reorganization effective date: (A) debt obligations issued by the Association, (B) contracts relating to interest rate, currency, or commodity positions or protections, (C) investment securities owned by the Association, (D) any instruments, assets, or agreements described in section 439(d) of this Act (including without limitation all student loans, forward purchase and lending commitments, warehousing advances, academic facilities obligations, letters of credit, standby bond purchase agreements, liquidity agreements, and student loan revenue bonds or other loans), and (E) except as specifically prohibited by this Act, any other nonmaterial assets or liabilities of the Association which the Association's Board of Directors determines to be necessary or appropriate to its operations.

''(7) The term 'reorganization' means the restructuring event or events (including any merger event) giving effect to the holding company structure described in subsection (a) of this section.

''(8) The term 'subsidiary' or 'subsidiaries' shall mean one or more direct or indirect subsidiaries of the Holding Company.''.

(b) TECHNICAL AMENDMENTS.—

(1) AMENDMENTS TO THE HIGHER EDUCATION ACT.—Effective on the reorganization effective date (as defined in section 440(h)(3) of the Higher Education Act of 1965, as added by subsection (a))—

(A) section 435(d)(1)(F) of such Act (20 U.S.C. 1085(d)(1)(F)) is amended by inserting after ''Student Loan Marketing Association'' the following: ''or the Holding Company of the Student Loan Marketing Association, including all subsidiaries of such Holding Company, created pursuant to section 440 of this Act,''; and

(B) sections 435(d)(1)(G) and 428C(a)(1)(A) of such Act (20 U.S.C. 1085(d)(1)(G); 1078–3(a)(1)(A)) are each amended by inserting after ''Student Loan Marketing Association'' the following: ''or the Holding Company of the Student Loan Marketing Association, including all subsidiaries of such Holding Company, created pursuant to section 440 of this Act''.

(2) ENFORCEMENT OF SAFETY AND SOUNDNESS REQUIREMENTS.—Section 439(r) of the Higher Education Act of 1965 (20 U.S.C. 1087–2(r)) is amended—

(A) by redesignating paragraph (13) as paragraph (15); and

(B) by inserting after paragraph (12) the following new paragraph:

''(13) ENFORCEMENT OF SAFETY AND SOUNDNESS REQUIREMENTS.—The Secretary of Education or the Secretary of the Treasury, as appropriate, may request the Attorney General of the United States to bring an action in the United States District Court for the District of Columbia for the enforcement of any provisions of this subsection, or may, under the direction or control of the Attorney General, bring such an action. Such court shall have jurisdiction and power to order and require compliance with this subsection.''.

(3) CAPITAL RATIO AMENDMENTS.—Section 439(r) of the Higher Education Act of 1965 is further amended—

(A) in paragraph (1)—

(i) by striking ''and'' at the end of subparagraph (A);

(ii) by striking the period at the end of subparagraph (B) and inserting ''; and''; and

(iii) by adding at the end the following new subparagraph:

''(C) within 45 days of the end of each fiscal quarter, (i) financial statements of the Association, and (ii) a report setting forth the calculation of the capital ratio of the Association.'';

(B) in paragraph (11), by striking ''paragraphs (4) and (6)(A)'' and inserting ''paragraphs (4), (6)(A), and (14)''; and

(C) by inserting after paragraph (13) (as added by paragraph (2) of this subsection) the following new paragraph:

''(14) ACTIONS BY SECRETARY.—If the shareholders of the Association shall have approved a reorganization plan in accordance with section 440(b) and, for any fiscal quarter ended after January 1, 2000, the Association shall have a capital ratio of less than 2.25 percent, the Secretary of the Treasury may, until such capital ratio is met, take any one or more of the actions described in paragraph (7), except that—

''(A) the capital ratio to be restored pursuant to paragraph (7)(D) shall be 2.25 percent; and

''(B) if the relevant capital ratio is in excess of or equal to 2 percent for such quarter, the Secretary of the Treasury shall defer taking any of the actions set forth in paragraph (7) until the next succeeding quarter and may then proceed with any such action only if the capital ratio of the Association remains below 2.25 percent.

Upon approval by the shareholders of the Association of a reorganization plan in accordance with section 440(b) for any period after January 1, 2000, the provisions of paragraphs (4), (5), (6), (8), (9), and (10) shall be of no further application to the Association.''.

(4) REPEAL OF THE ASSOCIATION'S CHARTER.—Effective on the dissolution date (as defined in section 440(h)(2) of the Higher Education Act of 1965, as added by subsection (a)), section 439 of such Act (20 U.S.C. 1087–2) is repealed.

SEC. 602. PRIVATIZATION OF COLLEGE CONSTRUCTION LOAN INSURANCE ASSOCIATION.

(a) REPEAL OF STATUTORY RESTRICTIONS.—Part D of title VII of the Higher Education Act of 1965 (20 U.S.C. 1132f et seq.) is repealed.

(b) STATUS OF THE CORPORATION.—

(1) STATUS OF THE CORPORATION.—The Corporation shall not be an agency, instrumentality, or establishment of the United States Government and shall not be a ''Government corporation'' nor a ''Government controlled corporation'' as defined in section 103 of title 5, United States Code. No action under section 1491 of title 28, United States Code (commonly known as the Tucker Act) shall be allowable against the United States based on the actions of the Corporation.

(2) CORPORATE POWERS.—The Corporation shall have the power to engage in any business or other activities for which corporations may be organized under the laws of any State of the United States or the District of Columbia. The Corporation shall have the power to enter into contracts, to execute instruments, to incur liabilities, to provide products and services, and to do all things as are necessary or incidental to the proper management of its affairs and the efficient operation of a private, for-profit business.

(c) RELATED PRIVATIZATION REQUIREMENTS.—

(1) NOTICE REQUIREMENTS.—During the 5-year period following the date of the enactment of this Act, the Corporation shall include in any document offering the Corporation's securities, in any contracts for insurance, guarantee, or reinsurance of obligations, and in any advertisement or promotional material, a statement that—

(A) the Corporation is not a Government-sponsored enterprise or instrumentality of the United States; and

(B) the Corporation's obligations are not guaranteed by the full faith and credit of the United States.

(2) CORPORATE CHARTER.—The Corporation's charter shall be amended as necessary and without delay to conform the requirements of this Act.

(3) CORPORATE NAME.—The name of the Corporation, or of any direct or indirect subsidiary thereof, may not contain the term ''College Construction Loan Insurance Association''.

(4) ARTICLES OF INCORPORATION.—The Corporation shall amend its articles of incorporation without delay to reflect that one of the purposes of the Corporation shall be to guarantee, insure and reinsure bonds, leases, and other evidences of debt of educational institutions, including Historically Black Colleges and Universities and other academic institutions which are ranked in the lower investment grade category using a nationally recognized credit rating system.

(5) TRANSITION REQUIREMENTS.—

(A) REQUIREMENTS UNTIL STOCK SALE.—Notwithstanding subsection (a), the requirements of section 754 of the Higher Education Act of 1965 (20 U.S.C. 1132f–3), as in existence as of the day before enactment of this Act, shall continue to be effective until the day immediately following the date of closing of the purchase of the Secretary's stock (or the date of closing of the final purchase, in the case of multiple transactions) pursuant to subsection (d) of this section.

(B) REPORTS AFTER STOCK SALE.—The Corporation shall, not later than March 30 of the first full calendar year immediately following the sale pursuant to subsection (d), and each of the 2 succeeding years, submit to the Secretary of Education a report describing the Corporation's efforts to assist in the financing of education facilities projects, including projects for elementary, secondary, and postsecondary educational institution infrastructure, and detailing, on a project-by-project basis, the Corporation's business dealings with educational institutions that are rated by a nationally recognized statistical rating organization at or below the organization's third highest ratings.

(d) SALE OF FEDERALLY OWNED STOCK.—

(1) SALE OF STOCK REQUIRED.—The Secretary of the Treasury shall, upon the request of the Secretary of Education make every effort to sell, pursuant to section 324 of title 31, United States Code, the voting common stock of the Corporation owned by the Secretary of Education not later than one year after the date of the enactment of this Act.

(2) PURCHASE BY THE CORPORATION.—In the event that the Secretary of the Treasury is unable to sell the voting common stock, or any portion thereof, at a price acceptable to the Secretary of Education and the Secretary of the Treasury within the period specified in paragraph (1), the Corporation shall purchase such stock at a price determined by the Secretary of the Treasury and acceptable to the Corporation based on independent appraisal by one or more nationally recognized financial firms. Such firms shall be selected by the Secretary of the Treasury in consultation with the Secretary of Education and the Corporation.

(e) ASSISTANCE BY THE CORPORATION.—The Corporation shall provide such assistance as the Secretary of the Treasury and the Secretary of Education may require to facilitate the sale of the stock under this section.

(f) DEFINITION.—As used in this section, the term ''Corporation'' means the Corporation established pursuant to the provision of law repealed by subsection (a).

The CHAIRMAN. Are there further amendments to title VI?

If not, the Clerk will designate title VII.

The text of title VII is as follows:

TITLE VII—REPEALERS AND OTHER AMENDMENTS

SEC. 701. HIGHER EDUCATION PROVISIONS.

(a) HIGHER EDUCATION ACT OF 1965 PROVISIONS.—The following provisions of the Higher Education Act of 1965 are repealed:

(1) Part B of title I (20 U.S.C. 1011 et seq.), relating to articulation agreements.

(2) Part C of title I (20 U.S.C. 1015 et seq.), relating to access and equity to education for all Americans through telecommunications.

(3) Title II (20 U.S.C. 1021 et seq.), relating to academic libraries and information services.

(4) Chapter 2 of subpart 2 of part A of title IV (20 U.S.C. 1070a–21 et seq.), relating to national early intervention scholarships.

(5) Chapter 3 of subpart 2 of part A of title IV (20 U.S.C. 1070a–31 et seq.), relating to presidential access scholarships.

(6) Chapter 4 of subpart 2 of part A of title IV (20 U.S.C. 1070a–41 et seq.), relating to model program community partnerships and counseling grants.

(7) Chapter 5 of subpart 2 of part A of title IV (20 U.S.C. 1070a–52 et seq.), relating to an early awareness information program.

(8) Chapter 8 of subpart 2 of part A of title IV (20 U.S.C. 1070a–81), relating to technical assistance for teachers and counselors.

(9) Subpart 8 of part A of title IV (20 U.S.C. 1070f), relating to special child care services for disadvantaged college students.

(10) Section 428J (20 U.S.C. 1078–10), relating to loan forgiveness for teachers, individuals performing national community service and nurses.

(11) Section 486 (20 U.S.C. 1093), relating to training in financial aid services.

(12) Subpart 1 of part H of title IV (20 U.S.C. 1099a et seq.) relating to State postsecondary review entity programs.

(13) Part A of title V (20 U.S.C. 1102 et seq.), relating to State and local programs for teacher excellence.

(14) Part B of title V (20 U.S.C. 1103 et seq.), relating to national teacher academies.

(15) Subpart 1 of part C of title V (20 U.S.C. 1104 et seq.), relating to Douglas teacher scholarships.

(16) Subpart 3 of part C of title V (20 U.S.C. 1106 et seq.), relating to the teacher corps.

(17) Subpart 3 of part D of title V (20 U.S.C. 1109 et seq.), relating to class size demonstration grants.

(18) Subpart 4 of part D of title V (20 U.S.C. 1110 et seq.), relating to middle school teaching demonstration programs.

(19) Subpart 1 of part E of title V (20 U.S.C. 1111 et seq.), relating to new teaching careers.

(20) Subpart 1 of part F of title V (20 U.S.C. 1113 et seq.), relating to the national mini corps programs.

(21) Section 586 (20 U.S.C. 1114), relating to demonstration grants for critical language and area studies.

(22) Section 587 (20 U.S.C. 1114a), relating to development of foreign languages and cultures instructional materials.

(23) Subpart 3 of part F of title V (20 U.S.C. 1115), relating to small State teaching initiatives.

(24) Subpart 4 of part F of title V (20 U.S.C. 1116), relating to faculty development grants.

(25) Section 597 and section 599(b) (20 U.S.C. 1117a, 1117c(b)), relating to early childhood staff training and professional enhancement.

(26) Section 605 (20 U.S.C. 1124a), relating to intensive summer language institutes.

(27) Section 607 (20 U.S.C. 1125a), relating to foreign language periodicals.

(28) Part A of title VII (20 U.S.C. 11326 et seq.), relating to academic and library facilities.

(29) Title VIII (20 U.S.C. 1133 et seq.), relating to cooperative education programs.

(30) Part A of title IX (20 U.S.C. 1134a et seq.), relating to women and minority participation in graduate education.

(31) Part B of title IX (20 U.S.C. 1134d et seq.), relating to Harris fellowships.

(32) Part C of title IX (20 U.S.C. 1134h et seq.), relating to Javits fellowships.

(33) Part E of title IX (20 U.S.C. 1134r et seq.), relating to the faculty development fellowship program.

(34) Part F of title IX (20 U.S.C. 1134s et seq.), relating to legal training for the disadvantaged.

(35) Part G of title IX (20 U.S.C. 1134u et seq.), relating to law school clinical programs.

(36) Section 1011 (20 U.S.C. 1135a–11), relating to special projects in areas of national need.

(37) Subpart 2 of part B of title X (20 U.S.C. 1135c et seq.), relating to science and engineering access programs.

(38) Part C of title X (20 U.S.C. 1135e et seq.), relating to women and minorities science and engineering outreach demonstration programs.

(39) Part D of title X (20 U.S.C. 1135f), relating to Eisenhower leadership programs.

(40) Title XI (20 U.S.C. 1136 et seq.), relating to community service programs.

(b) EDUCATION AMENDMENTS OF 1986 PROVISIONS.—The following provisions of the Higher Education Amendments of 1986 are repealed:

(1) Part E of title XIII (20 U.S.C. 1221–1 note), relating to a National Academy of Science study.

(2) Part B of title XV (20 U.S.C. 4441 et seq.), relating to Native Hawaiian culture and art development.

(c) EDUCATION AMENDMENTS OF 1992 PROVISIONS.—The following provisions of the Higher Education Amendments of 1992 are repealed:

(1) Part F of title XIII (25 U.S.C. 3351 et seq.), relating to American Indian postsecondary economic development scholarships.

(2) Part G of title XIII (25 U.S.C. 3371), relating to American Indian teacher training.

(3) Section 1406 (20 U.S.C. 1221e–1 note), relating to a national survey of factors associated with participation.

(4) Section 1409 (20 U.S.C. 1132a note), relating to a study of environmental hazards in institutions of higher education.

(5) Section 1412 (20 U.S.C. 1101 note), relating to a national job bank for teacher recruitment.

(6) Part B of title XV (20 U.S.C. 1452 note), relating to a national clearinghouse for postsecondary education materials.

(7) Part C of title XV (20 U.S.C. 1101 note), relating to school-based decisionmakers.

(8) Part D of title XV (20 U.S.C. 1145h note), relating to grants for sexual offenses education.

(9) Part E of title XV (20 U.S.C. 1070 note), relating to Olympic scholarships.

(10) Part G of title XV (20 U.S.C. 1070a–11 note), relating to advanced placement fee payment programs.

(d) CONFORMING AMENDMENTS.—The Higher Education Act of 1965 is amended—

(1) in section 453(c)(2)—

(A) by striking subparagraph (E); and

(B) by redesignating subparagraphs (F) through (H) as subparagraphs (E) through (G), respectively;

(2) in section 487(a)(3), by striking subparagraph (B) and redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively;

(3) in section 487(a)(15), by striking ''the Secretary of Veterans Affairs, and State review entities under subpart 1 of part H'' and inserting ''and the Secretary of Veterans Affairs'';

(4) in section 487(a)(21), by striking '', State postsecondary review entities,'';

(5) in section 487(c)(1)(A)(i), by striking ''State agencies, and the State review entities referred to in subpart 1 of part H'' and inserting ''and State agencies'';

(6) in section 487(c)(4), by striking '', after consultation with each State review entity designated under subpart 1 of part H,'';

(7) in section 487(c)(5), by striking ''State review entities designated under subpart 1 of part H,'';

(8) in section 496(a)(7), by striking ''and the appropriate State postsecondary review entity'';

(9) in section 496(a)(8), by striking ''and the State postsecondary review entity of the State in which the institution of higher education is located'';

(10) in section 498(g)(2), by striking everything after the first sentence;

(11) in section 498A(a)(2)(D), by striking ''by the appropriate State postsecondary review entity designated under subpart 1 of this part or'';

(12) in section 498A(a)(2)—

(A) by inserting ''and'' after the semicolon at the end of subparagraph (E);

(B) by striking subparagraph (F); and

(C) by redesignating subparagraph (G) as subparagraph (F); and

(13) in section 498A(a)(3)—

(A) by inserting ''and'' after the semicolon at the end of subparagraph (C);

(B) by striking ''; and'' at the end of subparagraph (D) and inserting a period; and

(C) by striking subparagraph (E).

SEC. 702. ELIGIBLE INSTITUTION.

(a) AMENDMENTS.—Section 481(b) of the Higher Education Act of 1965 (20 U.S.C. 1088(b)) is amended—

(1) by inserting before the period at the end of the first sentence the following: ''on the basis of a review by the institution's independent auditor using generally accepted accounting principles'';

(2) by inserting after the end of such first sentence the following new sentences: ''For

the purposes of clause (6), revenues from sources that are not derived from funds provided under this title include revenues from programs of education or training that do not meet the definition of an eligible program in subsection (e), but are provided on a contractual basis under Federal, State, or local training programs, or to business and industry. For the purposes of determining whether an institution meets the requirements of clause (6), the Secretary shall not consider the financial information of any institution for a fiscal year began on or before April 30, 1994.''.

(b) EFFECTIVE DATE.—Notwithstanding section 713 of this Act, the amendments made by subsection (a) shall apply to any determination made on or after July 1, 1994, by the Secretary of Education pursuant to section 481(b)(6) of the Higher Education Act of 1965.

SEC. 703. CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.

The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) is repealed.

SEC. 704. SMITH-HUGHES ACT.

(a) REPEAL.—The Smith-Hughes Act (39 Stat. 929 as amended (20 U.S.C. 11–15, 16–28)) is repealed.

(b) EFFECTIVE DATE.—Notwithstanding section 713 of this Act, the repeal in subsection (a) of this section shall take effect on October 1, 1995.

SEC. 705. SCHOOL-TO-WORK OPPORTUNITIES ACT OF 1994.

The School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.) is repealed.

SEC. 706. SCHOOL DROPOUT ASSISTANCE ACT.

The School Dropout Assistance Act, (part C of title V of the Elementary and Secondary Education Act (20 U.S.C. 7261)) is repealed.

SEC. 707. ADULT EDUCATION ACT.

(a) IN GENERAL.—The Adult Education Act (20 U.S.C. 1201 et seq.) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) ESEA.—The Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) is amended—

(A) in section 1202(c)(1), by striking ''the Adult Education Act,'' and inserting ''title IV of the CAREERS Act,'';

(B) in section 1205(8)(B), by striking ''the Adult Education Act,'' and inserting ''title IV of the CAREERS Act,'';

(C) in section 1206(a)(1)(A), by striking ''the Adult Education Act;'' and inserting ''title IV of the CAREERS Act;''; and

(D) in section 9161(2), by striking ''section 312(2) of the Adult Education Act.'' and inserting ''section 5 of the CAREERS Act.''.

(2) TECHNOLOGY FOR EDUCATION ACT.—The Technology for Education Act of 1994 (20 U.S.C. 6801 et seq.) is amended in section 3113(1) by striking ''section 312 of the Adult Education Act;'' and inserting ''section 5 of the CAREERS Act;'';

SEC. 708. NATIONAL LITERACY ACT.

The National Literacy Act of 1991, except section 101 of such Act, is repealed.

SEC. 709. LIBRARY SERVICES AND CONSTRUCTION ACT.

(a) IN GENERAL.—The Library Services and Construction Act (20 U.S.C. 351 et seq.) is repealed.

(b) CONFORMING AMENDMENT.—The Technology for Education Act of 1994 (20 U.S.C. 6801 et seq.) is amended in section 3113(10) by striking ''section 3 of the Library Services and Construction Act;'' and inserting ''section 5 of the CAREERS Act;''.

SEC. 710. TECHNOLOGY FOR EDUCATION ACT OF 1994.

Part F of the Technology for Education Act of 1994 (contained in title III of the Elementary and Secondary Education Act (20 U.S.C. 7001 et seq.)) is repealed.

SEC. 711. JOB TRAINING PARTNERSHIP ACT.

(a) IN GENERAL.—The Job Training Partnership Act (29 U.S.C. 1501 et seq.), except section 1, sections 421 through 439 (relating to the Job Corps), and section 441 of such Act (relating to veterans' employment programs), is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1) SHORT TITLE.—Section 1 of the Job Training Partnership Act (29 U.S.C. 1501, note) is amended—

(A) in the heading, by striking ''; TABLE OF CONTENTS''; and

(B) by striking all that follows after ''Job Training Partnership Act''.

(2) JOB CORPS.—Such Act (29 U.S.C. 1501 et seq.), as amended by this section, is further amended—

(A) by redesignating sections 421 through 439 as sections 2 through 21, respectively;

(B) in section 2 (as redesignated), by striking ''part'' each place it appears and inserting ''Act'';

(C) in section 4(4) (as redesignated), by striking ''sections 424 and 425'' and inserting ''sections 5 and 6'';

(D) in section 5 (as redesignated)—

(i) in subsection (a), by striking ''entities administering programs under title II of this Act,''; and

(ii) in subsection (b), by striking ''part'' and inserting ''Act'';

(E) in section 7 (as redesignated)—

(i) in subsection (a), by striking ''section 428'' and inserting ''section 9''; and

(ii) by striking subsection (d);

(F) in section 8 (as redesignated)—

(i) by striking subsection (b); and

(ii) by redesignating subsection (c) as subsection (b);

(G) in section 14 (as redesignated)—

(i) in subsection (a)(4), by striking ''part'' and inserting ''Act'';

(ii) in subsection (c)(1), by striking ''and activities authorized under sections 452 and 453''; and

(iii) in subsection (e), by striking ''section 431'' and inserting ''section 12'';

(H) in section 15 (as redesignated)—

(i) in subsection (a)—

(I) in the matter preceding paragraph (1), by striking ''section 427'' and inserting ''section 8''; and

(II) in paragraph (4)(A), by striking ''section 428'' and inserting ''section 9'';

(ii) in subsection (c)(3), by striking ''section 423'' and inserting ''section 4'';

(iii) in subsection (d), by striking ''sections 424 and 425'' and inserting ''sections 5 and 6''; and

(iv) in subsection (e), by striking '', pursuant to section 452(d),'';

(I) in section 17 (as redesignated), by striking ''purpose of this part'' each place it appears and inserting ''purpose of this Act'';

(J) in section 20 (as redesignated), by striking ''part'' each place it appears and inserting ''Act''; and

(K) in section 21 (as redesignated), by striking ''part'' and inserting ''Act''.

(3) VETERANS' EMPLOYMENT PROGRAMS.—Such Act (29 U.S.C. 1501 et seq.), as amended by this section, is further amended—

(A) by redesignating section 441 as section 22;

(B) by striking the heading of such section 22 (as redesignated), and inserting the following:

''VETERANS' EMPLOYMENT PROGRAMS''; and

(C) in such section 22, by striking ''part'' each place it appears and inserting ''section''.

(4) AUTHORIZATION OF APPROPRIATIONS.—Such Act (29 U.S.C. 1501 et seq.), as amended by this section, is further amended by adding at the end the following new section:

''AUTHORIZATION OF APPROPRIATIONS

''SEC. 23. There are authorized to be appropriated such sums as are necessary to carry out this Act.''.

SEC. 712. STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.

(a) ADULT EDUCATION.—

(1) IN GENERAL.—Subtitle A of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.) is repealed.

(2) TABLE OF CONTENTS.—The table of contents of such Act is amended by striking the items relating to subtitle A of title VII of such Act.

(b) SUBTITLE C.—

(1) IN GENERAL.—Subtitle C of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11441 et seq.), except section 738, is hereby repealed.

(2) TABLE OF CONTENTS.—The table of contents of such Act is amended—

(A) by striking the item relating to subtitle C of title VII of such Act; and

(B) by striking the items relating to sections 731 through 737 and sections 739 through 741.

SEC. 713. EFFECTIVE DATE.

The repeals and amendments made by this Act shall take effect on July 1, 1997, except for amendments to the Rehabilitation Act of 1973.

The CHAIRMAN. Are there amendments to title VII?

AMENDMENT OFFERED BY MR. KLINK

Mr. KLINK. Mr. Chairman, I offer an amendment, amendment No. 14 printed in the CONGRESSIONAL RECORD.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. KLINK: Page 275, after line 4, insert the following:

TITLE VIII—SENSE OF CONGRESS

SEC. 801. SENSE OF CONGRESS.

It is the sense of Congress, that:

(1) to streamline and consolidate workforce preparation and development programs, eliminate unnecessary duplication and fragmentation in such programs as stated in section 3(a)(5)(A), and to provide maximum authority and responsibility to States and local communities for operation of State and local workforce preparation and development programs as stated in section 3(a)(5)(B), the Federal Government should transfer all of the functions of such programs to the State and local communities, including the responsibility to raise revenue to fund such programs; and

(2) Federal tax rates should be reduced by the amount saved by relinquishing Federal responsibility for workforce preparation and development programs.

Mr. KLINK. Mr. Chairman, I find myself in a very unusual position on the floor of the House.

The Chairman, the gentleman from Pennsylvania [Mr. GOODLING], my good friend and colleague, has graciously agreed to accept my amendment, and several Members on the other side of the aisle have indicated their support for the Klink amendment. The problem is this, that my amendment was being offered tongue-in-cheek, and I myself do not support the amendment, and I do not support the underlying bill. I was trying to make a point with this amendment, and I fully intend, Mr.

Chairman, to withdraw this amendment. Again, my dear friend, the chairman, the gentleman from Pennsylvania [Mr. GOODLING], in all good faith, has offered to accept this amendment. Again, it was offered tongue-in-cheek, because I have a serious problem with the idea of block granting everything back to the States.

The underlying bill, which was trying to consolidate more than 100 educational and job training programs into 4 block grants to the States, while I believe Federal job training programs need consolidation, block grants I do not think are the best approach, and I do not think the whole idea we have in a number of other areas to block grant everything back to the States is a great idea either.

I am reminded of the story of a young child who was about 6 years old who wrote a letter to Santa Claus, and somehow the letter ended up coming here to Washington, DC, and the postmaster picked it up, and he looked at it; the letter was written with crayon. It had ended up in Washington, DC. The postmaster picked it up, and he looked at the letter. It said:

> Dear Santa, my family is not going to have a good Christmas because my father is unemployed. My mother has been sick. I simply ask you to send me $10. With that money, I can buy everyone in my family a little gift.

The postmaster was really touched. He reached in his pocket. All he had was a $5 bill. He sent that $5 bill to the young boy with a note. He signed it Santa Claus.

He got a thank you note back some weeks later. The boy said:

> Thank you so much, Santa, for sending that money to me. It made a great difference at Christmastime. But, please, next time do not send it through Washington, DC., because they keep half of it.

It makes no sense for us to send tax dollars to the Federal Government and, in turn, have the Federal Government redistribute that money to the States which, in turn, would redistribute the money to the counties under 50 different sets of guidelines.

In fact, Federal block grants have been tried before. Many of them were terminated in the first Reagan administration after revelations of waste and fraud by local recipients.

My amendment was to say would it not make more sense to let the States raise the money for these programs, run these programs themselves, distribute the funding and cut out the middleman, the Federal Government?

Again, what I am talking about is cutting out the middleman.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. KLINK. I yield to the gentleman from Pennsylvania.

□ 1730

Mr. GOODLING. In spite of the gentleman's story, we accept the amendment, and I do want to point out that block granting and revenue sharing are two different things, and I will assure the gentleman that block granting, coming from my committee, is not revenue sharing.

Mr. KLINK. Mr. Chairman, again to the chairman, I thank him for his graciousness.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Are there further amendments to the bill?

If not, the question is on the amendment in the nature of a substitute, as amended.

The question was taken; and on a division (demanded by Mr. GOODLING) there were—ayes 66, noes 43.

So the amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. GILLMOR) having assumed the chair, Mr. MCINNIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1617), to consolidate and reform work force development and literacy programs, and for other purposes, pursuant to House Resolution 222, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. RIGGS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 345, noes 79, not voting 10, as follows:

[Roll No. 671]

AYES—345

Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clement
Clinger
Coble
Coleman
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Eshoo
Everett
Ewing
Fawell
Fazio
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Longley
Lowey
Lucas
Luther
Manton
Manzullo
Martini
Mascara
McCarthy
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
McNulty
Meehan
Metcalf
Meyers
Mica
Miller (CA)
Miller (FL)
Minge
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Pastor
Paxon
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skaggs
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stokes
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Tiahrt
Torkildsen
Torres
Traficant
Upton
Vento
Visclosky
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller

White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Wyden
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—79

Abercrombie
Becerra
Bishop
Bonior
Brown (FL)
Clayton
Clyburn
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
DeFazio
Dellums
Dingell
Dixon
Durbin
Engel
Evans
Farr
Fattah
Fields (LA)
Filner
Fox
Frank (MA)
Gejdenson
Gordon
Hastings (FL)
Hilliard
Hinchey
Hostettler
Hoyer
Jefferson
Johnson, E. B.
Kennedy (MA)
Klink
Lewis (GA)
Lofgren
Maloney
Markey
Martinez
Matsui
McDermott
McKinney
Meek
Menendez
Mfume
Mineta
Mink
Nadler
Neal
Obey
Olver
Owens
Pallone
Payne (NJ)
Poshard
Rivers
Roybal-Allard
Rush
Sabo
Sanders
Scott
Seastrand
Serrano
Slaughter
Stark
Studds
Thompson
Thurman
Torricelli
Towns
Velazquez
Waters
Watt (NC)
Waxman
Woolsey
Wynn
Yates

NOT VOTING—10

Coburn
Fields (TX)
Moakley
Oberstar
Reynolds
Royce
Schumer
Sisisky
Tucker
Volkmer

□ 1755

Ms. EDDIE BERNICE JOHNSON of Texas, Mr. MATSUI, and Mrs. SEASTRAND changed their vote from ''aye'' to ''no.''

Mr. BONO, Ms. JACKSON-LEE, Mr. BEILENSON, and Mr. MILLER of California changed their vote from ''no'' to ''aye.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 1617, CAREERS ACT

Mr. MCKEON. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 1617, the Clerk be authorized to make technical corrections and conforming changes to the bill.

The SPEAKER pro tempore (Mr. GILLMOR). Is there objection to the request of the gentleman from California?

There was no objection.

GENERAL LEAVE

Mr. MCKEON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on H.R. 1617, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

REREFERRAL OF H.R. 2202, IMMIGRATION IN THE NATIONAL INTEREST ACT OF 1995, TO SUNDRY COMMITTEES

Mr. MCKEON. Mr. Speaker, I ask unanimous consent that H.R. 2202, the Immigration in the National Interest Act of 1995, be rereferred to the Committee on the Judiciary, and in addition to the Committees on Agriculture, Banking and Financial Services, Economic and Educational Opportunities, Government Reform and Oversight, National Security, and Ways and Means for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE CONCURRENT RESOLUTION 12

Mr. LIVINGSTON. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of House Concurrent Resolution 12.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 1817, MILITARY CONSTRUCTION APPROPRIATIONS ACT, 1996

Mr. DIAZ-BALART, from the Committee on Rules, submitted a privileged report (Rept. No. 104–251) on the resolution (H. Res. 223) waiving points of order against the conference report to accompany the bill (H.R. 1817) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2274, DESIGNATING THE NATIONAL HIGHWAY SYSTEM

Mr. DIAZ-BALART, from the Committee on Rules, submitted a privileged report (Rept. No. 104–252) on the resolution (H. Res. 224) providing for consideration of the bill (H.R. 2274) to amend title 23, United States Code, to designate the National Highway System, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 927, THE CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY ACT OF 1995

Mr. DIAZ-BALART, from the Committee on Rules, submitted a privileged report (Rept. No. 104–253) on the resolution (H. Res. 225) providing for the consideration of the bill (H.R. 927) to seek international sanctions against the Castro government in Cuba, to plan for support of a transition government leading to a democratically elected government in Cuba, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO FILE REPORT ON H.R. 2277, THE LEGAL AID ACT OF 1995

Mr. FLANAGAN. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight, Tuesday, September 19, 1995, to file the committee report on the bill, H.R. 2277, the Legal Aid Act of 1995.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERSONAL EXPLANATION

Mr. NEUMANN. Mr. Speaker, this morning I was unavoidably detained in Milwaukee during rollcall vote Nos. 664, 665, 666, and 667. Had I been present, I would have voted ''yea'' on rollcall 664, ''nay'' on rollcall 665, ''nay'' on rollcall 666, and ''nay'' on rollcall 667.

PARK REFORM AND H.R. 260

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, today the House has an opportunity to remove the ''For Sale'' sign from our National Park System by voting no on H.R. 260. The administration is against this bill, as well as every environmental organization.

This bill establishes a Park Closure Commission to make recommendations to Congress on which units of the National Park System should be closed, privatized or sold to the highest bidder.

If you can imagine a Walmart in the middle of Valley Forge National Historical Park or a Wendy's inside the gates of Little Bighorn National Battlefield Park, then you have some idea of the brave new world after H.R. 260.

While Congress is poised to sell off our priceless national treasures, the American people we represent are making their voices known in ever-increasing visitation numbers to the parks.

In fact, park visitation, which will hit 270 million this year, is expected to hit 360 million by the year 2000, just 5 years from now.