

98th CONGRESS
2d Session

S. _____

IN THE SENATE OF THE UNITED STATES

Mr. Tsongas introduced the following bill; which was read twice
and referred to the Committee on _____

A BILL

To stimulate the development of State programs for skills
training and education, consistent with the employment needs
of the State and involving the active participation of
business concerns in the State, and for other purposes.

1 Be it enacted by the Senate and House of Representatives
2 of the United States of America in Congress assembled, That
3 this Act may be cited as the "United States Skills
4 Corporation Act".

FINDINGS AND PURPOSE

5
6 Sec. 2. (a) The Congress finds that--

7 (1) the need for adequate and appropriate industry
8 responsive job training and education programs, at all
9 levels of training, is crucial for the economic growth of
10 our Nation;

11 (2) a national partnership that includes Federal and
12 State governments and business and industry can most
13 effectively address the Nation's need for job training
14 and education programs and provide skilled workers;

15 (3) skilled workers trained for positions of high
16 demand and high growth will increase productivity and
17 strengthen the competitive position of the United States
18 in the world market and will permit industries to operate
19 at improved levels of productivity;

1 (4) many of our Nation's current job training and
2 education programs are not linked to existing jobs, nor
3 anticipating demand in emerging industries;

4 (5) the cooperation between the educational
5 institutions of the Nation and the private sector needs
6 to be increased in order to enable educational
7 institutions to meet the needs of business and industry
8 for skilled employees; and

9 (6) Federal financial assistance is best utilized
10 when jointly matched with funds from the private sector.

11 (b) It is the purpose of this Act--

12 (1) to stimulate the development of State programs of
13 skills training and education consistent with employment
14 needs and thereby promote economic growth;

15 (2) to promote increased cooperation between
16 educational institutions and the private sector to enable
17 educational institutions to meet the needs of business
18 and industry for skilled employees at both entry and
19 advanced levels of employment;

20 (3) to promote the training, retraining, and advanced
21 training of American workers for current positions and
22 for occupations with future growth potential;

23 (4) to collect and disseminate information on
24 employment needs as well as the availability of skills
25 training and education; and

26 (5) to conduct conferences and studies which will
27 increase communication and information on employment
28 needs in the United States.

29 PROGRAM AUTHORIZED

30 Sec. 3. (a) The Secretary is authorized, in accordance
31 with the provisions of this Act, to make grants to State
32 skills corporations.

33 (b) (1) Subject to the provisions of paragraph (2), there
34 are authorized to be appropriated \$10,000,000 for formula

1 grants and \$5,000,000 for competitive grants in fiscal year
2 1985, \$10,000,000 for formula grants and \$40,000,000 for
3 competitive grants in fiscal year 1986, and \$75,000,000 for
4 competitive grants for each of the fiscal years 1987, 1988,
5 and 1989.

6 (2) From amounts appropriated for competitive grants in
7 each fiscal year, the Secretary shall reserve an amount not
8 to exceed \$1,000,000 in each fiscal year for the purpose of
9 carrying out section 8, relating to innovative grants.

10 (c) There are authorized to be appropriated such sums as
11 may be necessary for the fiscal year 1985 and for each
12 succeeding fiscal year ending prior to October 1, 1989, for
13 administrative expenses relating to carrying out the
14 provisions of this Act.

15 ELIGIBILITY OF STATE SKILLS CORPORATIONS

16 Sec. 4. (a) In order to receive funds under this Act, the
17 Governor of each State shall designate or establish a quasi-
18 public corporation, a public nonprofit corporation, or a
19 State economic development agency, as the State skills
20 corporation for the purpose of this Act.

21 (b) In order to receive funds under this Act, the State
22 skills corporation meeting the requirements of subsection (a)
23 shall--

24 (1) have as one of its principal corporate purposes
25 the provision of a program of skill training and
26 education consistent with the employment needs of the
27 State;

28 (2) receive matching funds from State sources; and

29 (3) receive financial support from business and
30 industry in the State, together with information,
31 technical assistance, and financial support from business
32 concerns within the State.

33 (c) The State shall certify--

34 (1) that the Governor has designated a State skills

1 corporation pursuant to subsection (a);

2 (2) that the requirements of subsection (b) are met;

3 and

4 (3) that assistance from the Federal Government is
5 essential to the success of the training and education
6 programs conducted by the State skills corporation.

7 DISTRIBUTION OF ASSISTANCE; FORMULA GRANTS AND COMPETITIVE

8 GRANTS

9 Sec. 5. (a) From amounts appropriated pursuant to section
10 3 (b) (1) for each fiscal year for formula grants, the
11 Secretary shall allot to each State which does not have a
12 State skills corporation which meets the requirements of
13 section 4 (b) an amount which bears the same ratio to the
14 population of such State as the amount available for formula
15 grants under section 3 (b) (1) bears to the population of all
16 such States, except that no such State shall receive less
17 than one-half of 1 percent of the amount being allotted for
18 each fiscal year and no such State shall receive more than 10
19 percent of the amount being allotted for such fiscal year.

20 (b) (1) From the amounts appropriated pursuant to section
21 3 (b) (1) for each fiscal year for competitive grants, the
22 Secretary shall make grants to States which have State skills
23 corporations which meet the requirements of section 4 (b) and
24 have applications approved under section 6.

25 (2) To the extent practicable, the Secretary shall
26 distribute competitive grants among States having
27 applications approved under section 6 on the basis of--

28 (A) the merits of the programs described in the
29 application; and

30 (B) the need for training and education programs in
31 the State making the application.

32 (c) Any portion of a State's allotment under subsection
33 (a) for a fiscal year, which the Secretary determines will
34 not be required for the period such allotment is available

1 for carrying out the purposes of this Act, shall be available
2 for reallocation from time to time, on such dates during such
3 period as the Secretary may fix, to other States based on
4 need and ability to expend the funds and taking into account
5 the proportion of the original allotments made available to
6 such States under subsection (a) for such year, but with such
7 proportionate amount for any of such other States being
8 reduced to the extent it exceeds the sum which the Secretary
9 estimates such State needs and will be able to use for such
10 period for carrying out such portion of its State application
11 approved under this Act, and the total reduction shall be
12 similarly reallocated among the States whose proportionate
13 amounts are not so reduced. The reallocation required by this
14 subsection shall be made without regard to the maximum
15 allotment percentage limitation specified in subsection (a)
16 of this section. In carrying out the requirement of this
17 subsection, the Secretary shall establish procedures for
18 prompt reallocation of funds under this Act so as to assure
19 the use of assistance whenever any State fails to submit an
20 application. Any amount reallocated to a State under this
21 subsection during a year shall be deemed part of its
22 allotment under subsection (a) for such year.

23 APPLICATIONS

24 Sec. 6. (a) Each State desiring to receive assistance
25 under this Act shall submit an application to the Secretary
26 at such time, in such manner, and containing or accompanied
27 by such information as the Secretary may require.

28 (b) Each such application shall--

29 (1) describe the program for which assistance is
30 sought, a proposed estimate of the costs of the program;

31 (2) provide assurances that at least 50 percent of
32 the funds for the program described in the application
33 will be furnished by business concerns within the State;

34 (3) provide assurances that the State, from State

1 sources, will furnish 25 percent of the cost of such
2 programs;

3 (4) in the case of a State which has not certified
4 that the State skills corporation meets the requirements
5 of section 4 (b), provide assurances that the State will
6 meet the requirements of section 4 (b) during the period
7 for which the application is made;

8 (5) provide an analysis of State training needs based
9 on a realistic assessment of current job training
10 programs, projected job growth within the State, and the
11 ability of the project for which assistance is sought to
12 improve the match between anticipated job openings and
13 the training and education program described in the
14 application;

15 (6) provide assurances that the State will not use
16 more than 5 percent of the amount paid to the State under
17 this Act for administrative expenses;

18 (7) set forth such fiscal control and fund accounting
19 procedures as may be necessary to assure proper
20 disbursement of and accounting for Federal funds paid to
21 the State under this Act; and

22 (8) such other assurances as the Secretary determines
23 are necessary to carry out the provisions of this Act.

24 (c) In providing assurances under clause (5) of
25 subsection (b) of this section, each State skills corporation
26 shall furnish evidence that the analysis required was
27 prepared with the cooperation of business concerns within the
28 State.

29 (d) An application may be filed, jointly, by one or more
30 States under the provision of subsection (b) of this section.

31 (e) The Secretary may approve applications which meet the
32 requirements of subsection (b) in the manner prescribed by
33 section 5 (b).

34

ADMINISTRATION

1 Sec. 7. (a) (1) There is established within the
2 Department of Labor a United States Skills Corporation
3 Office.

4 (2) The Office shall be headed by a Director who shall be
5 appointed by the President, by and with the advice and
6 consent of the Senate.

7 (3) Section 5315 of title 5, United States Code, is
8 amended by adding at the end thereof:

9 "Director, United States Skills Corporation Office,
10 Department of Labor."

11 (b) The functions of the Secretary under this Act shall
12 be carried out through the Office established under
13 subsection (a) of this section.

14 (c) (1) There is established an advisory board on skills
15 which shall consist of thirteen members appointed by the
16 President. The members of the board shall include--

- 17 (A) an officer of the Department of Labor;
18 (B) an officer of the Department of Education;
19 (C) an officer of the Department of Commerce;
20 (D) an officer of the National Science Foundation;
21 (E) two individuals who are representative of State
22 and local skills officials involved in training;
23 (F) two individuals who represent business;
24 (G) two individuals who represent labor
25 organizations; and
26 (H) two individuals who represent education and
27 training institutions; and
28 (I) an individual who represents a professional
29 society.

30 (2) The advisory board appointed pursuant to paragraph
31 (1) of this subsection shall assist the Secretary in
32 approving applications submitted and approved under section 5
33 (b) and section 6.

1 Sec. 8. (a) The Secretary, from funds reserved pursuant
2 to section 3 (b) (2), may make grants to support skills
3 corporation programs of an experimental nature.

4 (b) No grant may be made under this section unless the
5 State skills corporation meets the requirements of section 6
6 (b), except the requirement contained in clause (2) of
7 section 6 (b).

8 (c) The Secretary shall apply, to the extent practicable,
9 the same approval procedures for application made for grants
10 under this section as the Secretary applies to applications
11 made under section 6.

12 INFORMATION ACTIVITIES

13 Sec. 9. (a) The Secretary is authorized to operate a
14 clearinghouse on information with respect to State skills
15 corporations and the programs and activities of such State
16 skills corporations.

17 (b) In carrying out the functions of this section, the
18 Secretary shall collect, analyze, and disseminate to the
19 public information pertaining to the skills corporation and
20 to such programs and activities.

21 (c) The Secretary is authorized to organize, sponsor,
22 conduct, and encourage the conduct of special institutes,
23 conferences, demonstration projects and studies which
24 increase communication and cooperation among Federal, State,
25 and local public agencies, business concerns, public and
26 private institutions and organizations, particularly
27 institutions involved in economic development, employment
28 opportunities, and skills training and education.

29 AUDITS AND REPORTS

30 Sec. 10. (a) The Comptroller General of the United
31 States, and any of his authorized representatives shall have
32 access, for the purpose of audit and examination to any
33 books, documents, papers, and records, of any State skills
34 corporation receiving assistance under this Act and to any

1 recipient of any such corporation that are pertinent to the
2 sums received and disbursed under this Act.

3 (b) The Secretary shall make a report to the President
4 and to the Congress annually on the activities conducted with
5 assistance under this Act, together with recommendations,
6 including recommendations for legislation, for improvements
7 and the program authorized by this Act.

8 PAYMENTS

9 Sec. 11. (a) (1) The Secretary shall pay, in the case of
10 formula grants from the State's allotment, to each State
11 having an application approved under section 6, the Federal
12 share of the cost of carrying out program described in the
13 application.

14 (2) The Secretary shall pay, in the case of competitive
15 grants to each State skills corporation having an application
16 approved under section 6, the Federal share of the cost of
17 developing and carrying out the approved application.

18 (b) (1) For each fiscal year, the Federal share shall be
19 25 percent.

20 (2) The non-Federal contribution may be in cash or in
21 kind, fairly evaluated, including but not limited to planning
22 expenses, plant, equipment, and services.

23 (c) Payments made under this Act may be made in
24 installments and in advance or by way of reimbursement with
25 necessary adjustments on account of overpayments or
26 underpayments.

27 DEFINITIONS

28 Sec. 12. As used in this Act--

29 (1) the term "Secretary" means the Secretary of
30 Labor; and

31 (2) the term "State" means each of the several
32 States, the District of Columbia, and the Commonwealth of
33 Puerto Rico.