

United States Senate

WASHINGTON, D.C. 20510

PROPOSAL FOR A UNITED STATES SKILLS CORPORATION

RATIONALE:

As companies innovate and move into new fields, such as high technology, they often experience difficulty in hiring skilled workers or finding the appropriate training programs to train current workers to staff their operations. While industry is thwarted in its attempts to expand, innovate, or increase productivity because it can not find skilled workers, potential workers miss opportunities for new jobs with high growth potential. As a result, our ability to compete internationally is diminished.

In Massachusetts, the Bay State Skills Corporation, a quasi-public agency, has developed a program to encourage and facilitate the formation of new job training programs. Participating industries match state funds in a joint effort with educational institutions to provide these training programs. This effort has been remarkably successful and contributes to the ability of Massachusetts to attract and keep growing companies. The Bay State Skills Corporation model can be applied nationally. In fact, the states of Washington and Minnesota have already established successful programs.

To assist and encourage all states in setting up skills corporations, a United States Skills Corporation would provide matching funds and federal assistance. To ensure that training is responsive to clearly defined industry needs, grant awards will be made for the development of new training projects jointly sponsored by industry and educational institutions at the state level, and requiring a 50% matching industry contribution.

BILL SUMMARY:

o Purpose

-USSC is established to stimulate the development and assist the operation of state skills corporations through the provision of matching funds

-State skills corporations promote job training in high demand and high growth industries

o Structure

-The Governor of each participating state designates a quasi-public corporation, public non-profit corporation or state agency as its state skills corporation

-State skills corporations work with business and educational institutions to develop new job training programs at all levels-- entry, intermediate, and advanced

- State skills corporations conduct needs analyses regarding job training needs within the state in cooperation with business
- Source of funds = 50% business + 25% state + 25% federal
- Federal funds allocation:

<u>Types of grants</u>	<u>Types of awardee</u>	<u>Basis of funding allotment</u>	<u>Funding(in millions)</u>		
			<u>FY85</u>	<u>FY86</u>	<u>FY87,88,89</u>
Formula	States without skills corp.	Civilian labor force	\$10	\$10	\$ 0
Competitive	States with skills corp.	Merit	5	40	75
Innovative	States with skills corp.	Discretion of USSC Director*	1**	1**	1**
TOTAL FUNDS			\$15	\$50	\$75

* Business match allowed to be less than 50%

** \$1 million is included as part of the competitive funds pool

o Administration

- Established as an independent agency
- Headed by a Director who is appointed by the President and confirmed by the Senate
- Advisory Board:
 Composition: 15 people - 2 members of Congress 1 House, 1 Senate, appointed by the Speaker and the Majority Leader, respectively
 13 members appointed by the President: Secretaries of Depts. of Labor, Education, and Commerce, NSF Director, 2 State Governors, 2 Chief Executive Officers of business concerns, 2 Presidents of labor organizations, 2 Presidents of higher education institutions, and 1 President of a professional society

Duties: Advise and coordinate the development and operation of the program

o Information Activities

- Serves as a clearinghouse of information regarding state skills organizations
- Organizes, sponsors conferences, studies, etc. with interested organizations