

## FACT SHEET

### EMPLOYMENT AND TRAINING LEGISLATION

The current legislative authority for employment and training programs under the Comprehensive Employment and Training Act (CETA) expires in September, 1982. The House and Senate both have legislation pending which would reestablish federal authority for job training. Under S. 2036 and H.R. 5320, federal job training programs would continue with a modified system of service delivery where some prime sponsors would be consolidated, and where the roles of governors and the private sector would be emphasized. A period of one year would serve as a transition period to the new system. Public service employment would be prohibited with the emphasis falling on job training.

The Senate Labor and Human Resources Committee reported out favorably with amendments S. 2036 (the Quayle/Kennedy bill) on May 27, 1982. Full Senate action is expected during the summer.

As reported, S. 2036 represents a compromise bill which at this point appears to be acceptable to the Administration. On the controversial items:

- (1) By amendment, states and prime sponsors can provide allowances to clients (supportive services) provided that the allowances do not exceed 30 percent of the grant within which administrative costs also must be met. Seventy percent of all federal resources for employment and training are targeted directly at providing training. The Administration has fought hard to prohibit allowance payments.
- (2) The size of the prime sponsor area is larger than the House version but smaller than the Administration's goal. S. 2036 allows governors to establish service areas with 500,000 people or more, or from local governments of 250,000 which have an agreement with a local Private Industry Council (PIC).
- (3) Originally, S. 2036 sought a funding level of \$3.9 billion, which approximates current funding levels, but given the Administration's opposition language was changed to "such sums as necessary," leaving funding decisions to the budget process.
- (4) There is no job creation component; public service employment is clearly prohibited.
- (5) S. 2036 specifies that 50 percent of funds be spent on youth aged under 25 years.

On April 27, the House Education and Labor Committee marked up and reported out H.R. 5320 authorizing federal job training programs. The bill represents a merger of items introduced by both Representative Hawkins (C-OA) and Representative Jeffords (R-VT). H.R. 5320 would:

- (1) Authorize a total of \$5.4 billion for training opportunities in FY 83.

- (2) Mandate that 50 percent of the targeted funds be spent on youth aged 16-21.
- (3) Provide allowances to eligible participants on a need basis, provide a sliding scale reimbursement for costs incurred while in training, and allow the payment of bonuses for completing parts or all of the training process.
- (4) Provide for prime sponsors in areas with 150,000 population or more, or primes that have operating PICs.

At Committee level, a second piece of legislation, H.R. 6250, was introduced separate from H.R. 5320. It would provide authority for job creation programs and public service employment. Both bills are ready for floor action, which can occur at any time.