

105TH CONGRESS  
1ST SESSION

# S. 1170

To establish a training voucher system, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 11, 1997

Ms. SNOWE introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

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## A BILL

To establish a training voucher system, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Working American  
5       Training Voucher Act”.

6       **SEC. 2. DEFINITIONS.**

7       In this Act:

8               (1) GOVERNOR.—The term “Governor” means  
9       the chief executive of any State.

10              (2) PRIVATE INDUSTRY COUNCIL.—The term  
11       “private industry council” means a council nomi-

1 nated, appointed, and certified in accordance with  
2 section 103 of the Job Training Partnership Act (29  
3 U.S.C. 1513).

4 (3) SECRETARY.—The term “Secretary” means  
5 the Secretary of Labor.

6 (4) SERVICE DELIVERY AREA.—The term  
7 “service delivery area” means a service delivery area  
8 designated in accordance with section 101 of the Job  
9 Training Partnership Act (29 U.S.C. 1511).

10 (5) STATE.—The term “State” means any of  
11 the several States, the District of Columbia, the  
12 Commonwealth of Puerto Rico, the United States  
13 Virgin Islands, Guam, American Samoa, the Com-  
14 monwealth of the Northern Mariana Islands, the Re-  
15 public of the Marshall Islands, the Federated States  
16 of Micronesia, and the Republic of Palau.

17 (6) STATE EDUCATIONAL AGENCY.—The term  
18 “State educational agency” has the meaning given  
19 such term in section 14101 of the Elementary and  
20 Secondary Education Act of 1965 (20 U.S.C. 8801).

21 (7) TRAINING ENTITY.—The term “training en-  
22 tity” means an administrative entity, as defined in  
23 section 4 of the Job Training Partnership Act (29  
24 U.S.C. 1503).

1 **SEC. 2. GENERAL AUTHORITY.**

2 The Secretary shall make allotments to States that  
3 have State plans approved under section 4 to enable the  
4 States to assist training entities in service delivery areas  
5 in carrying out training voucher programs under this Act.

6 **SEC. 3. ALLOTMENTS AND ALLOCATIONS.**

7 (a) ALLOTMENT.—

8 (1) TERRITORIES.—From the amount made  
9 available under section 8 for each fiscal year, the  
10 Secretary shall reserve not more than  $\frac{1}{4}$  of 1 per-  
11 cent to make grants to the United States Virgin Is-  
12 lands, Guam, American Samoa, the Commonwealth  
13 of the Northern Mariana Islands, the Republic of  
14 the Marshall Islands, the Federated States of Micro-  
15 nesia, and the Republic of Palau. The Secretary  
16 shall issue regulations specifying the requirements of  
17 this Act that shall apply to funds made available  
18 through such grants.

19 (2) STATE RESERVATION.—After determining  
20 the amounts to be reserved under paragraph (1), the  
21 Secretary shall allot not less than 90 percent of the  
22 remainder to the States for allocation to service de-  
23 livery areas within each State. Each State shall allo-  
24 cate to each service delivery area within the State  
25 the amount determined by the Secretary for such  
26 service delivery area pursuant to the formula con-

1       tained in subsection (b). The remaining 10 percent  
2       shall be used by the State in accordance with sub-  
3       section (c).

4       (b) ALLOCATION TO SERVICE DELIVERY AREAS.—

5           (1) FORMULA.—Subject to the provisions of  
6       paragraph (2), of the amounts allocated to service  
7       delivery areas for this Act for each fiscal year—

8           (A)  $33\frac{1}{3}$  percent shall be allocated on the  
9       basis of the relative number of unemployed in-  
10      dividuals in areas of substantial unemployment  
11      in each service delivery area as compared to the  
12      total number of unemployed individuals in areas  
13      of substantial unemployment in all service deliv-  
14      ery areas in all States;

15          (B)  $33\frac{1}{3}$  percent shall be allocated on the  
16      basis of the relative excess number of unem-  
17      ployed individuals in each service delivery area  
18      as compared to the total excess number of un-  
19      employed individuals in all service delivery areas  
20      in all States; and

21          (C)  $33\frac{1}{3}$  percent shall be allocated on the  
22      basis of the relative number of economically dis-  
23      advantaged adults in each service delivery area  
24      as compared to the total number of economi-

1 cally disadvantaged adults in all service delivery  
2 areas in all States.

3 (2) LIMITATIONS.—

4 (A) MINIMUM PERCENTAGE.—No service  
5 delivery area shall receive an allocation percent-  
6 age for a fiscal year that is less than 90 percent  
7 of the allocation percentage of the service deliv-  
8 ery area for the preceding fiscal year.

9 (B) MAXIMUM PERCENTAGE.—No service  
10 delivery area shall receive an allocation percent-  
11 age for a fiscal year that is more than 130 per-  
12 cent of the allocation percentage of the service  
13 delivery area for the preceding fiscal year.

14 (C) STATE MINIMUM.—Notwithstanding  
15 subparagraphs (A) and (B), the total allocation  
16 under this subsection for all service delivery  
17 areas in any State for a fiscal year shall not be  
18 less than  $\frac{1}{4}$  of 1 percent of the total allocation  
19 under this subsection for all service delivery  
20 areas in all States for the fiscal year.

21 (D) ALLOCATION PERCENTAGE.—

22 (i) IN GENERAL.—Except as provided  
23 in clause (ii), for purposes of subpara-  
24 graphs (A) and (B), the allocation percent-  
25 age of a service delivery area for a fiscal

1 year shall be the percentage of funds allo-  
2 cated to the service delivery area under  
3 this subsection.

4 (ii) FISCAL YEAR 1997.—For purposes  
5 of subparagraphs (A) and (B), the alloca-  
6 tion percentage of a service delivery area  
7 for fiscal year 1997 shall be the percentage  
8 of funds allocated to the service delivery  
9 area under part A of title II of the Job  
10 Training Partnership Act (29 U.S.C. 1601  
11 et seq.).

12 (3) RECIPIENT.—The training entity in a serv-  
13 ice delivery area shall receive each allocation made  
14 to the area under this subsection.

15 (c) STATE ACTIVITIES.—The remaining 10 percent  
16 of funds available for allotment to States under this part  
17 for each fiscal year may be used for State administrative  
18 and oversight activities.

19 (d) DEFINITIONS AND RULE.—

20 (1) DEFINITIONS.—In this section:

21 (A) AREA OF SUBSTANTIAL UNEMPLOY-  
22 MENT.—The term “area of substantial unem-  
23 ployment” means any area that is of sufficient  
24 size and scope to sustain a program carried out  
25 under this Act and that has an average rate of

1 unemployment of at least 6.5 percent for the  
2 most recent 12 months, as determined by the  
3 Secretary. For purposes of this subparagraph,  
4 determinations of areas of substantial unem-  
5 ployment shall be made once each fiscal year.

6 (B) ECONOMICALLY DISADVANTAGED  
7 ADULT.—The term “economically disadvan-  
8 taged adult” means an individual who is age 22  
9 through 72 and who has received an income, or  
10 is a member of a family that has received a  
11 total family income, for the 6-month period  
12 prior to application for the program involved  
13 that, in relation to family size, does not exceed  
14 the higher of—

15 (i) the poverty line (as defined by the  
16 Office of Management and Budget, and re-  
17 vised annually in accordance with section  
18 673(2) of the Omnibus Budget Reconcili-  
19 ation Act of 1981 (42 U.S.C. 9902(2)), for  
20 an equivalent period; or

21 (ii) 70 percent of the lower living  
22 standard income level, for an equivalent  
23 period.

24 (C) EXCESS NUMBER.—The term “excess  
25 number” means, with respect to the excess

1 number of unemployed individuals in a service  
2 delivery area, the number of unemployed indi-  
3 viduals in excess of 4.5 percent of the civilian  
4 labor force in the service delivery area, or the  
5 number of unemployed individuals in excess of  
6 4.5 percent of the civilian labor force in areas  
7 of substantial unemployment in such service de-  
8 livery area.

9 (D) STATE.—The term “State” means any  
10 of the several States, the District of Columbia,  
11 and the Commonwealth of Puerto Rico.

12 (2) SPECIAL RULE.—For the purposes of this  
13 section, the Secretary shall, as appropriate and to  
14 the extent practicable, exclude college students and  
15 members of the Armed Forces from the determina-  
16 tion of the number of economically disadvantaged  
17 adults.

18 **SEC. 4. STATE PLAN.**

19 In order for a State to receive an allotment under  
20 this Act, the Governor of the State shall develop and sub-  
21 mit a State plan to the Secretary at such time, in such  
22 manner, and containing such information as the Secretary  
23 may require. At a minimum, the State plan shall con-  
24 tain—

1           (1) information describing the use of all re-  
2           sources provided to the State and the service deliv-  
3           ery areas in the State under this Act; and

4           (2) information identifying an entity within the  
5           State, which may be the State educational agency,  
6           that will certify training programs as eligible to re-  
7           ceive vouchers under this Act.

8 **SEC. 5. LOCAL PLAN.**

9           In order for a service delivery area in a State to re-  
10          ceive an allocation under this Act, the private industry  
11          council for the area shall ensure the preparation, and sub-  
12          mission to the Governor of the State, of a local plan at  
13          such time, in such manner, and containing such informa-  
14          tion as the Governor may require. At a minimum, the local  
15          plan shall contain information describing the manner in  
16          which the training entity will carry out a training voucher  
17          program in the area. The local plan shall be developed,  
18          submitted, approved, and subject to oversight in accord-  
19          ance with the requirements of section 103 of the Job  
20          Training Partnership Act (29 U.S.C. 1513) for job train-  
21          ing plans.

22 **SEC. 6. USE OF FUNDS.**

23          (a) IN GENERAL.—A training entity that receives an  
24          allocation for a service delivery area under this Act shall  
25          use the funds made available through the allocation to dis-

1 tribute training vouchers to eligible employees, to enable  
2 the employees to participate in training programs that are  
3 certified as described in section 4(2). The training entity  
4 may not provide training programs under this Act.

5 (b) VOUCHERS.—The amount of a voucher made  
6 available under subsection (a) shall be the lesser of—

7 (1) the amount necessary to pay for such a cer-  
8 tified training program for an employee for 1 year;  
9 or

10 (2) \$1000.

11 (c) ELIGIBLE EMPLOYEE.—To be eligible to apply for  
12 a training voucher in a State under this Act, an employee  
13 shall—

14 (1) be employed by an employer who has 200  
15 or fewer employees for each working day in each of  
16 20 or more calendar weeks in the current or preced-  
17 ing calendar year; or

18 (2) in the case of an employee who applies dur-  
19 ing a period for which the Governor of the State has  
20 provided a waiver under section 7(c), be employed by  
21 an employer described in such section.

22 (d) APPLICATION.—To be eligible to receive a train-  
23 ing voucher under this Act, an employee shall submit an  
24 application to the training entity at such time, in such  
25 manner, and containing such information as the entity

1 may require. At a minimum, the application shall contain  
2 information demonstrating that the employer of the em-  
3 ployee approves of the training program for which the  
4 voucher will be used.

5 **SEC. 7. WAIVER AUTHORITY OF GOVERNOR.**

6 (a) REPORT.—Not later than the 90th day of a fiscal  
7 year, each training entity in a State shall submit to the  
8 Governor a report containing information on—

9 (1) the amount of funds that the entity has re-  
10 ceived through an allocation made under section 3  
11 for the fiscal year and has obligated for activities de-  
12 scribed in this Act; and

13 (2) if the entity has not obligated all of the  
14 funds received, the reasons that a portion of the  
15 funds remains unobligated.

16 (b) DETERMINATION.—Not later than the 120th day  
17 of the fiscal year, the Governor shall determine whether  
18 to waive the requirements of section 6(c)(1) for employees  
19 in the State for the remainder of the fiscal year.

20 (c) WAIVER.—If the Governor waives the require-  
21 ments, an employee shall be eligible to apply to receive  
22 a training voucher under this Act if the employee is em-  
23 ployed by an employer who has 500 or fewer employees  
24 for each working day in each of 20 or more calendar weeks  
25 in the current or preceding calendar year.

1 **SEC. 8. AUTHORIZATION OF APPROPRIATIONS.**

2       There is authorized to be appropriated to carry out  
3 this Act, \$1,100,000,000 for fiscal year 1998 and each  
4 subsequent fiscal year.

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