

103^D CONGRESS
2^D SESSION

H. R. 3736

To provide incentives for job apprenticeship programs, enhance educational opportunities, and study the feasibility of consolidating the administration of all Federal dislocated worker programs.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 26, 1994

Mr. ANDREWS of Texas introduced the following bill; which was referred jointly to the Committees on Education and Labor, Ways and Means, and Post Office and Civil Service

A BILL

To provide incentives for job apprenticeship programs, enhance educational opportunities, and study the feasibility of consolidating the administration of all Federal dislocated worker programs.

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 “Workforce Education
5 Act of 1994”.

1 **TITLE I—TARGETED JOBS CRED-**
2 **IT FOR SCHOOL-TO-WORK**
3 **PROGRAMS**

4 **SEC. 101. TARGETED JOBS CREDIT FOR PARTICIPANTS IN**
5 **APPROVED SCHOOL-TO-WORK PROGRAMS.**

6 (a) IN GENERAL.—Subparagraph (I) of section
7 51(d)(1) of the Internal Revenue Code of 1986 (defining
8 members of targeted group) is amended to read as follows:

9 “(I) a qualified participant in an approved
10 school-to-work program, or”.

11 (b) QUALIFIED PARTICIPANT IN AN APPROVED
12 SCHOOL-TO-WORK PROGRAM.—Paragraph (10) of section
13 51(d) of such Code is amended to read as follows:

14 “(10) QUALIFIED PARTICIPANT IN AN AP-
15 PROVED SCHOOL-TO-WORK PROGRAM DEFINED.—

16 “(A) IN GENERAL.—Except as otherwise
17 provided in this paragraph, the term ‘qualified
18 participant in an approved school-to-work pro-
19 gram’ means any individual who is certified
20 under an approved school-to-work program as—

21 “(i) having attained age 16 but not
22 having attained age 23, and

23 “(ii) being enrolled in and making
24 satisfactory progress in completing such
25 approved school-to-work program.

1 “(B) LIMITATION ON NUMBER OF PARTICI-
2 PANTS.—

3 “(i) IN GENERAL.—Any individual
4 who begins work for the employer during
5 any calendar year shall not be treated as
6 a qualified participant in an approved
7 school-to-work program unless the individ-
8 ual is certified under such program as an
9 eligible participant with respect to such
10 calendar year.

11 “(ii) LIMITATION ON CERTIFI-
12 CATIONS.—The aggregate number of indi-
13 viduals certified under an approved school-
14 to-work program as eligible participants
15 with respect to any calendar year shall not
16 exceed the portion of the national school-
17 to-work program limitation for such cal-
18 endar year allocated under subsection (m)
19 to such program.

20 “(C) APPROVED SCHOOL-TO-WORK PRO-
21 GRAM.—The term ‘approved school-to-work pro-
22 gram’ means any program which—

23 “(i) is a planned program of struc-
24 tured job training designed to integrate
25 academic instruction provided by an edu-

1 cational institution and work-based learn-
2 ing provided by an employer, and

3 “(ii) is approved by the Secretary of
4 Labor acting through the Bureau of Job
5 Apprenticeship.

6 “(D) WAGES.—In the case of remunera-
7 tion attributable to services performed while the
8 individual meets the requirements of subpara-
9 graph (A), wages, and unemployment insurance
10 wages, shall be determined without regard to
11 section 3306(c)(10)(C).

12 “(E) CROSS REFERENCE.—

**“For special rules and limitations applicable to
credit for qualified participants in approved school-
to-work programs, see subsections (l) and (m).”**

13 (c) SPECIAL RULES AND OVERALL LIMITATIONS.—
14 Section 51 of such Code is amended by adding at the end
15 thereof the following new subsections:

16 “(l) SPECIAL RULES FOR CREDIT FOR APPROVED
17 SCHOOL-TO-WORK PROGRAM PARTICIPANTS.—

18 “(1) TERMINATION NOT APPLICABLE.—Para-
19 graph (4) of subsection (c) shall not apply in the
20 case of any qualified participant in an approved
21 school-to-work program.

22 “(2) CREDIT NOT LIMITED TO FIRST YEAR
23 WAGES.—The credit determined under subsection
24 (a) with respect to any qualified participant in an

1 approved school-to-work program shall be equal to
2 40 percent of the lesser of—

3 “(A) the wages paid or incurred by the em-
4 ployer during such taxable year to such quali-
5 fied participant, or

6 “(B) \$6,000 reduced by the amount of
7 wages taken into account by the employer for
8 any prior taxable year with respect to such
9 qualified participant.

10 “(3) EARLY TERMINATION OF EMPLOYMENT.—

11 “(A) IN GENERAL.—If the employment of
12 any qualified participant in an approved school-
13 to-work program is terminated by the taxpayer
14 before the day 1 year after the day on which
15 such qualified participant began work for the
16 employer—

17 “(i) no wages with respect to such
18 participant shall be taken into account
19 under this section for the taxable year in
20 which such employment is terminated, and

21 “(ii) the tax under this chapter for
22 the taxable year in which such employment
23 is terminated shall be increased by the ag-
24 gregate credits (if any) allowed under sec-
25 tion 38 for prior taxable years by reason of

1 wages taken into account with respect to
2 such qualified participant.

3 “(B) CERTAIN EXCEPTIONS AND OTHER
4 RULES MADE APPLICABLE.—Rules similar to
5 the rules of paragraphs (2), (3), and (4) of sec-
6 tion 45A(d) shall apply for purposes of sub-
7 paragraph (A).

8 “(m) OVERALL LIMITATION ON APPROVED SCHOOL-
9 TO-WORK PROGRAM PARTICIPANTS.—

10 “(1) IN GENERAL.—For purposes of subsection
11 (d)(10), the national school-to-work program limita-
12 tion—

13 “(A) for calendar year 1995 is 100,000,

14 “(B) for calendar year 1996 is 150,000,

15 “(C) for calendar year 1997 is 175,000,

16 and

17 “(D) for calendar year 1998 and any sub-
18 sequent calendar year is 200,000.

19 “(2) ALLOCATION TO STATES.—The national
20 school-to-work program limitation for any calendar
21 year shall be allocated among the States in propor-
22 tion to the number of their eligible participants that
23 are estimated to be served in approved school-to-
24 work programs for that year. Such estimates shall
25 be published by the Secretary of Labor acting

1 through the Bureau of Job Apprenticeship before
2 the beginning of the calendar year to which the allo-
3 cation applies.

4 “(3) ALLOCATION TO APPROVED SCHOOL-TO-
5 WORK PROGRAMS.—The portion of the national
6 school-to-work program limitation for any calendar
7 year which is allocated to any State shall be allo-
8 cated among the approved school-to-work programs
9 in such State in such manner as the Secretary of
10 Labor acting through the Bureau of Job Apprentice-
11 ship shall prescribe.”

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall apply in the case of individuals who begin
14 work for the employer after December 31, 1994.

15 **TITLE II—AUTHORIZATION OF**
16 **APPROPRIATIONS FOR THE**
17 **NATIONAL AND COMMUNITY**
18 **SERVICE ACT OF 1990**

19 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS FOR THE**
20 **NATIONAL SERVICE TRUST PROGRAM, NA-**
21 **TIONAL SERVICE EDUCATIONAL AWARDS,**
22 **AND QUALITY AND INNOVATION ACTIVITIES.**

23 Section 501(a)(2)(A) of the National and Community
24 Service Act of 1990 (42 U.S.C. 12681(a)(2)(A)) is amend-
25 ed by striking “\$500,000,000 for fiscal year 1995, and

1 \$700,000,000 for fiscal year 1996” and inserting
2 “\$1,000,000,000 for fiscal year 1995, \$1,400,000,000 for
3 fiscal year 1996, and \$3,000,000,000 for each of the fiscal
4 years 1997 through 1999”.

5 **SEC. 202. AUTHORIZATION OF APPROPRIATIONS FOR CIVIL-**
6 **IAN COMMUNITY CORPS DEMONSTRATION**
7 **PROGRAM.**

8 Section 501(a)(3) of the National and Community
9 Service Act of 1990 (42 U.S.C. 12681(a)(3)) is amended
10 by striking “through 1996” and inserting “through
11 1999”.

12 **SEC. 203. AUTHORIZATION OF APPROPRIATIONS FOR AD-**
13 **MINISTRATION OF THE NATIONAL AND COM-**
14 **MUNITY SERVICE ACT OF 1990.**

15 Section 501(a)(4)(A) of the National and Community
16 Service Act of 1990 (42 U.S.C. 12681(a)(4)(A)) is amend-
17 ed by striking “\$60,000,000 for fiscal year 1995, and
18 \$70,000,000 for fiscal year 1996” and inserting
19 “\$80,000,000 for fiscal year 1995, \$90,000,000 for fiscal
20 year 1996, and \$100,000,000 for each of the fiscal years
21 1997 through 1999”.

1 **TITLE III—STUDY AND REPORT**
2 **RELATING TO CONSOLIDA-**
3 **TION OF FEDERAL DIS-**
4 **LOCATED WORKER PRO-**
5 **GRAMS**

6 **SEC. 301. STUDY.**

7 (a) IN GENERAL.—The Secretary of Labor shall con-
8 duct a study on the feasibility of consolidating the admin-
9 istration of the Federal dislocated worker programs de-
10 scribed in subsection (b) into a single comprehensive pro-
11 gram, the goals of which are—

12 (1) to speed up the process of determining the
13 eligibility of individuals for training and related serv-
14 ices under such programs;

15 (2) to give such individuals increased flexibility
16 in how they receive and use such training and relat-
17 ed services; and

18 (3) to reduce the overlap in administration
19 among such programs and to provide more efficient
20 service under such programs by establishing local
21 common points of access for such training and relat-
22 ed services.

23 (b) FEDERAL DISLOCATED WORKER PROGRAMS.—
24 The Federal dislocated worker programs described in this
25 subsection are—

1 (1) programs under title III of the Job Train-
2 ing Partnership Act (29 U.S.C. 1651 et seq.), in-
3 cluding—

4 (A) the defense conversion adjustment pro-
5 gram under section 325 of such Act (29 U.S.C.
6 1662d);

7 (B) the defense diversification program
8 under section 325A of such Act (29 U.S.C.
9 1662d-1); and

10 (C) the clean air employment transition as-
11 sistance program under section 326 of such Act
12 (29 U.S.C. 1662e); and

13 (2) the trade adjustment assistance program
14 under chapter 2 of title II of the Trade Act of 1974
15 (19 U.S.C. 2271 et seq.).

16 **SEC. 302. REPORT.**

17 Not later than 1 year after the date of the enactment
18 of this Act, the Secretary of Labor shall submit to the
19 Congress a report containing—

20 (1) the results of the study carried out under
21 section 301; and

22 (2) if appropriate, recommendations for legisla-
23 tion to achieve the consolidation of the administra-
24 tion of the Federal dislocated worker programs de-
25 scribed in such section.

1 **TITLE IV—FINANCING**
2 **PROVISIONS**

3 **SEC. 401. REQUIRING CERTAIN AGENCIES TO PREFUND**
4 **GOVERNMENT HEALTH BENEFITS CONTRIBU-**
5 **TIONS FOR THEIR ANNUITANTS.**

6 (a) DEFINITIONS.—For the purpose of this section—

7 (1) the term “agency” means any agency or
8 other instrumentality within the executive branch of
9 the Government, the receipts and disbursements of
10 which are not generally included in the totals of the
11 budget of the United States Government submitted
12 by the President;

13 (2) the term “health benefits plan” means, with
14 respect to an agency, a health benefits plan, estab-
15 lished by or under Federal law, in which employees
16 or annuitants of such agency may participate;

17 (3) the term “health-benefits coverage” means
18 coverage under a health benefits plan”;

19 (4) an individual shall be considered to be an
20 “annuitant of an agency” if such individual is enti-
21 tled to an annuity, under a retirement system estab-
22 lished by or under Federal law, by virtue of—

23 (A) such individual’s service with, and sep-
24 aration from, such agency; or

1 (B) being the survivor of an annuitant
2 under subparagraph (A) or of an individual who
3 died while employed by such agency; and

4 (5) the term “Office” means the Office of Per-
5 sonnel Management.

6 (b) PREFUNDING REQUIREMENT.—

7 (1) IN GENERAL.—Effective as of October 1,
8 1994, each agency (or February 1, 1995, in the case
9 of the agency with the greatest number of employ-
10 ees, as determined by the Office) shall be required
11 to prepay the Government contributions which are
12 or will be required in connection with providing
13 health-benefits coverage for annuitants of such
14 agency.

15 (2) REGULATIONS.—The Office shall prescribe
16 such regulations as may be necessary to carry out
17 this section. The regulations shall be designed to en-
18 sure at least the following:

19 (A) Amounts paid by each agency shall be
20 sufficient to cover the amounts which would
21 otherwise be payable by such agency (on a
22 “pay-as-you-go” basis), on or after the appli-
23 cable effective date under paragraph (1), on be-
24 half of—

1 (i) individuals who are annuitants of
2 the agency as of such effective date; and

3 (ii) individuals who are employed by
4 the agency as of such effective date, or
5 who become employed by the agency after
6 such effective date, after such individuals
7 have become annuitants of the agency (in-
8 cluding their survivors).

9 (B)(i) For purposes of determining any
10 amounts payable by an agency—

11 (I) this section shall be treated as if
12 it had taken effect at the beginning of the
13 20-year period which ends on the effective
14 date applicable under paragraph (1) with
15 respect to such agency; and

16 (II) in addition to any amounts pay-
17 able under subparagraph (A), each agency
18 shall also be responsible for paying any
19 amounts for which it would have been re-
20 sponsible, with respect to the 20-year pe-
21 riod described in subclause (I), in connec-
22 tion with any individuals who are annu-
23 itants or employees of the agency as of the
24 applicable effective date under paragraph
25 (1).

1 (ii) Any amounts payable under this sub-
2 paragraph for periods preceding the applicable
3 effective date under paragraph (1) shall be pay-
4 able in equal installments over the 20-year pe-
5 riod beginning on such effective date.

6 (c) FASB STANDARDS.—Regulations under sub-
7 section (b) shall be in conformance with the provisions of
8 standard 106 of the Financial Accounting Standards
9 Board, issued in December 1990.

10 (d) CLARIFICATION.—Nothing in this section shall be
11 considered to permit or require duplicative payments on
12 behalf of any individuals.

13 (e) DRAFT LEGISLATION.—The Office shall prepare
14 and submit to Congress any draft legislation which may
15 be necessary in order to carry out this section.

16 **SEC. 402. RESCISSION OF FUNDS FOR TRAVEL ACCOUNTS.**

17 (a) IN GENERAL.—Of the funds made available in
18 any appropriations Act for fiscal year 1994 to any execu-
19 tive department or agency, or any entity in the legislative
20 branch, for purposes of official travel, 15 percent is re-
21 scinded. The Director of the Office of Management and
22 Budget shall allocate such rescission among the appro-
23 priate accounts, and shall submit to the Congress a report
24 setting forth such allocation.

1 (b) EXCEPTIONS.—Subsection (a) shall not apply
2 to—

3 (1) the Department of Defense, the Department
4 of Justice, the Department of State, the Department
5 of the Treasury, the Department of Veterans Af-
6 fairs, or any agency or office within any such de-
7 partment; or

8 (2) the Office of Personnel Management in car-
9 rying out its responsibilities under the Voting Rights
10 Act of 1965.

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