

# CRS Report for Congress

## Employment and Training: Funding for Selected Programs Since FY1994

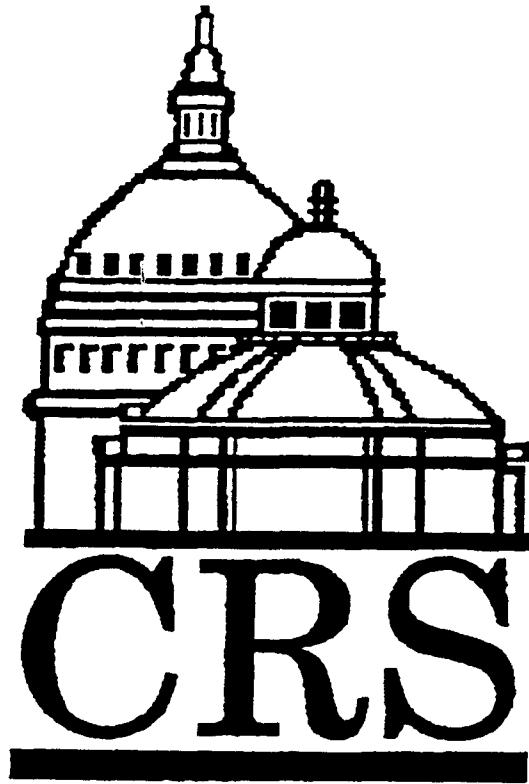
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Ann Lordeman  
and  
Richard N. Apling  
Specialists in Social Legislation  
Education and Public Welfare Division



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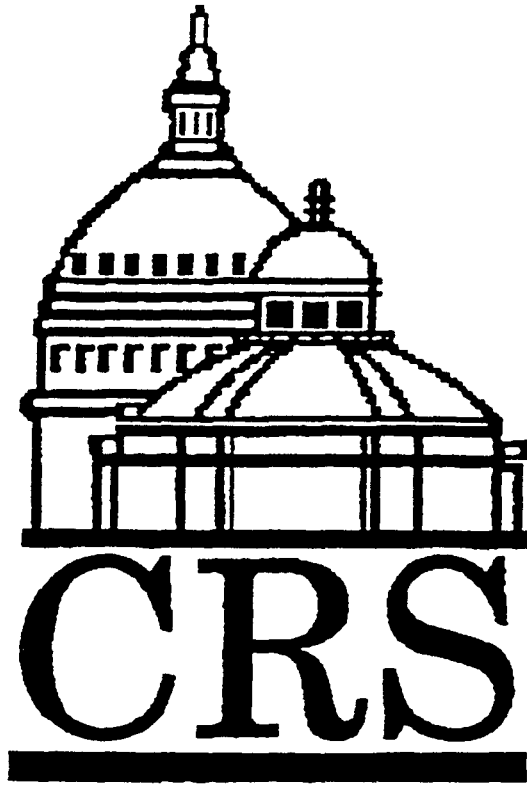
## Summary

Both the 104<sup>th</sup> and 105<sup>th</sup> Congresses examined strategies for consolidating and improving employment and training programs. In the 104<sup>th</sup> Congress, a conference committee report was issued for H.R. 1617, the Workforce and Career Development Act of 1996, but final action was not taken. In the 105<sup>th</sup> Congress, the House passed separate bills for vocational education (H.R. 1853) and for training and adult education (H.R. 1385). The Senate Committee on Labor and Human Resources reported S. 1186, which deals with vocational education, adult education, and training.

The purpose of this report is to provide information on funding trends since 1994 for 35 employment and training programs and three sets of national activities that have been considered for consolidation during the last two Congresses.

Trends in funding between FY1994 and FY1998 include:

- Elimination of funding for 12 programs (most of which were smaller programs) and reduced funding for 11 programs;
- Funding increases for 12 programs, with most larger increases for new initiatives, such as the school-to-work program;
- Funding increases between 15% and 20% for the Adult Education Act (AEA), for training for dislocated workers under the Job Training Partnership Act (JTPA), for Job Corps, and for Vocational Rehabilitation state grants;
- Approximate level funding for the Carl D. Perkins Vocational and Applied Technology Education Act, for adult training under JTPA, and for training for summer youth under JTPA; and
- A substantial cut of nearly 80% for youth training under Title II-C of JTPA.



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# Employment and Training: Funding for Selected Programs Since FY1994

Both the 104<sup>th</sup> and 105<sup>th</sup> Congresses examined strategies for consolidating and improving employment and training programs. In the 104<sup>th</sup> Congress, both the House and Senate passed legislation. The conference committee issued its report (H. Rept. 104-707) to accompany H.R. 1617, the Workforce and Career Development Act of 1996, but final action was not taken.<sup>1</sup> In the 105<sup>th</sup> Congress, the House has passed separate bills for vocational education (H.R. 1853) and for training and adult education (H.R. 1385). The Senate Committee on Labor and Human Resources has reported S. 1186, which deals with vocational education, adult education, and training.<sup>2</sup>

The purpose of this report is to provide funding trends since 1994 for employment and training programs that have been considered for consolidation during the last two Congresses.<sup>3</sup> **Table 1** shows the appropriations for programs and national activities<sup>4</sup> that have been included in consolidation legislation during either the 104<sup>th</sup> or the 105<sup>th</sup> Congress.

## Overall Funding for Employment and Training Programs

**Table 1** shows a variety of funding trends for major employment and training statutes between FY1994 and FY1998. An important trend is the elimination or reduction of funding for numerous programs. Of the 35 programs authorized by the

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<sup>1</sup> For information on the conference bill, see U.S. Library of Congress. Congressional Research Service. *Employment and Training: Workforce and Career Development Act of 1996 (H.R. 1617 Conference)*. CRS Report 96-690 EPW, by Richard N. Apling and Ann Lordeman. Washington, 1996.

<sup>2</sup> For discussions of these bills, see CRS Report 97-283, *Vocational Education: Legislation to Reauthorize the Carl D. Perkins Vocational and Applied Technology Education Act*, by Richard N. Apling; CRS Report 97-534, *Adult Education and Literacy: Legislation in the 105<sup>th</sup> Congress*, by Paul M. Irwin; CRS Report 97-536, *Job Training Reform: Legislation in the 105<sup>th</sup> Congress*, by Ann Lordeman

<sup>3</sup> Although various bills consider both funded and unfunded programs for consolidation, this report includes only those programs that were funded in FY1994, the fiscal year before the 104th Congress considered consolidation legislation. The report excludes programs funded in FY1994 that were subsequently repealed: the Job Opportunities and Basic Skills Training (JOBS) and the Family Support Program and the Family Support Program authorized by the Stewart B. McKinney Homeless Assistance Act.

<sup>4</sup> National activities include research, demonstration and pilot projects, evaluations, and training and technical assistance.

12 employment and training statutes dealt with here, funding for 12 programs has been eliminated since FY1994. Funding was cut for another 11 programs. Of those programs whose funding was cut but not eliminated, the median reduction between FY1994 and FY1998 was 8.5%. These reductions ranged from 1% to 79%. The remaining 12 programs saw funding increases in the period between FY1994 and FY1998. The median increase for these programs was 20.3%, with increases ranging from 5% to 300%.

## Funding Trends by Authorizing Legislation

**Table 1** shows that funding trends varied by authorizing legislation:

- For the Adult Education Act (AEA), overall funding between FY1994 and FY1998 has increased by 23%, even though funding for some AEA programs has been eliminated.
- For the Perkins Act, overall funding between FY1994 and FY1998 has been cut by 3%; while funding for the basic state grants program has been increased by 5%.
- For JTPA, the biggest cut between FY1994 and FY1998 was for youth training (Title II-C), which was reduced by 79%. Funding for adult training was cut by 3%, and training for summer youth was cut by 2%.
- Also for JTPA, funding for dislocated worker training increased by 21% from FY1994-FY1998. Funding for Job Corps increased by 20%.
- Funding for Basic Vocational Rehabilitation (VR) state grants increased by 14% between FY1994 and FY1998.

## Funding Trends by Program Characteristic

In addition to these funding trends, **Table 1** shows additional trends between FY1994 and FY1998 related to characteristics of employment and training programs:

- Funding for many **smaller** employment and training programs was eliminated.
- The largest percentage increases in funding were mostly for **newer** employment and training initiatives, such as the school-to-work program and one-stop career centers.

*Elimination of Funding for Many Smaller Programs.* Funding for many programs was eliminated through the appropriations process. Thus, even apart from consolidation legislation, about one-third of the programs originally considered for consolidation were eliminated. These programs<sup>5</sup> were:

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<sup>5</sup> See table 1 for the authorizing statute for each of these programs and for the (continued...)



- State literacy resource centers,
- Workplace literacy partnerships,
- Dropout prevention demonstrations,
- Community-based organizations providing vocational education,
- Consumer/homemaking program,
- Vocational education state councils,
- Bilingual vocational education,
- Literacy training for homeless adults,
- Homeless job training,
- Emergency community services,
- Youth fair chance program, and
- Microenterprise grants.

*Eliminated Programs Mostly Small.* Although funding has been eliminated for a relatively large number of employment and training programs, each of these programs was funded at less than \$40 million in FY1994. Thus, the total reduction in funding for these programs was relatively small—approximately \$186 million—when compared with the reduction in funding for some larger programs. Most notably, funding for the JTPA youth program was reduced by \$479 million.

*Largest Percentage Increases for New Initiatives.* Three programs, which received their first year of funding in FY1994, have received the largest percentage increases since FY1994. These programs (see **Table 1**) are as follows.

- School-to-work programs, funded at \$100 million in FY1994 and at \$400 million in FY1998, a 300% increase.
- One-stop career centers, funded at \$50 million in FY1994 and at \$150 million in FY1998, a 200% increase.
- North American Free Trade Agreement (NAFTA) Transitional Adjustment Assistance Training, with actual obligations of \$7.9 million in FY1994 and estimated obligations of \$22.3 million in FY1998, a 182% increase.

In addition to these new programs, federal funding for employment and training programs for food stamp recipients increased by 128%. Most of this growth resulted from the 1997 Balanced Budget Act, which greatly increased mandatory federal funding in order to add work/training “slots” for able-bodied adult recipients without dependents covered by a new work requirement established in the 1996 welfare reform law.

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<sup>5</sup>(...continued)  
department that administered them.

**TABLE 1. FY1994-FY1998 Appropriations for Selected Employment  
and Training Programs<sup>a</sup>**

(\$ in millions; subtotal may not add due to rounding)

<b>Programs and National Activities</b>	<b>FY1994 (P.L. 103-112)</b>	<b>FY1995 (P.L. 104-6)</b>	<b>FY1996 (P.L. 104-134)</b>	<b>FY1997 (P.L. 104-208)</b>	<b>FY1998 (P.L. 105-78)</b>	<b>% Change FY1994-98</b>
<b>Department of Education</b>						
Adult Education Act						
- State programs	\$254.6	\$252.3	\$247.4	\$340.3	\$345.3	35.6%
- National Activities	8.8	8.8	7.4	9.5	10.5	18.7%
- State literacy resource centers	7.9	0.0	0.0	0.0	0.0	-100.0%
- Workplace literacy partnerships	18.9	12.7	0.0	0.0	0.0	-100.0%
<i>Subtotal</i>	<i>290.2</i>	<i>273.8</i>	<i>254.9</i>	<i>349.8</i>	<i>355.8</i>	<i>22.6%</i>
National Literacy Act of 1991 (literacy for prisoners)	5.1	5.1	4.7	4.7	4.7	-7.4%
Dropout Prevention Demonstrations (Title V-C of the Elementary and Secondary Education Act)	37.7	12.0	0.0	0.0	0.0	-100.0%
Carl Perkins Voc. And Applied Tech. Ed. Act (includes funding from the Smith-Hughes Act)						
- Basic Grants	979.7	979.7	979.7	1,022.5	1,027.6	4.9%
- Community Based Organizations	11.8	0.0	0.0	0.0	0.0	-100.0%
- Consumer/Homemaking	34.7	0.0	0.0	0.0	0.0	-100.0%
- Tech-Prep (including national study)	104.1	108.0	100.0	100.0	103.0	-1.1%
- Tribally Controlled Post-Secondary Vocational Institutions	2.9	2.9	2.9	2.9	3.1	5.2%
- State Councils	8.9	8.8	0.0	0.0	0.0	-100.0%
- National Activities	38.3	11.3	5.2	13.7	13.5	-64.7%
- Bilingual Vocational Education	2.9	0.0	0.0	0.0	0.0	-100.0%
<i>Subtotal</i>	<i>1,183.4</i>	<i>1,110.8</i>	<i>1,087.8</i>	<i>1,139.1</i>	<i>1,147.1</i>	<i>-3.1%</i>

**TABLE 1. FY1994-FY1998 Appropriations for Selected Employment  
and Training Programs<sup>a</sup> (continued)**  
(\$ in millions; subtotal may not add due to rounding)

<b>Programs and National Activities</b>	<b>FY1994 (P.L. 103-112)</b>	<b>FY1995 (P.L. 104-6)</b>	<b>FY1996 (P.L. 104-134)</b>	<b>FY1997 (P.L. 104-208)</b>	<b>FY1998 (P.L. 105-78)</b>	<b>% Change FY1994-98</b>
Basic Vocational Rehabilitation State Grants (Title I, Rehabilitation Act of 1973)	\$1,974.1	\$2,054.1	\$2,114.3	\$2,176.0	\$2,246.9	13.8%
Title VII of the Stewart B. McKinney Homeless Assistance Act						
- Ed. for Homeless Children and Youth	25.5	28.8	23.0	25.0	28.8	13.1%
- Literacy training for homeless adults	9.6	0.0	0.0	0.0	0.0	-100.0%
- Homeless Job Training <sup>b</sup>	7.5	0.0	0.0	0.0	0.0	-100.0%
- Veterans' Reintegration Project <sup>b</sup>	5.1	0.0	0.0	0.0	3.0	-40.7%
- Emergency Community Services <sup>c</sup>	19.7	19.8	0.0	0.0	0.0	-100.0%
<i>Subtotal</i>	<i>67.3</i>	<i>48.6</i>	<i>23.0</i>	<i>25.0</i>	<i>31.8</i>	<i>-52.8%</i>
<b>Department of Labor</b>						
Job Training Partnership Act (JTPA)						
- Adult Training	988.0	996.8	850.0	895.0	955.0	-3.3%
- Youth Training	608.7	126.7	126.7	126.7	130.0	-78.6%
- Summer Youth <sup>d</sup>	888.3	184.8	625.0	871.0	871.0	-1.9%
- Dislocated Workers	1,118.0	1,228.6	1,091.9 <sup>e</sup>	1,286.2 <sup>f</sup>	1,350.5	20.8%
- Job Corps	1,040.5	1,089.2	1,093.9	1,153.5	1,246.2	19.8%
- Native Americans	64.2	59.8	52.5	52.5	53.8	-16.2%
- Migrants	85.6	80.0	69.3	69.3	71.0	-17.0%
- Veterans	9.0	8.9	7.3	7.3	7.3	-18.5%
- Youth Fair Chance	25.0	0.0	0.0	0.0	0.0	-100.0%
- Microenterprise Grants	1.5	0.0	0.0	0.0	0.0	-100.0%
- National Activities	69.7	53.4	46.8	46.8	341.4 <sup>g</sup>	not comparable <sup>h</sup>
<i>Subtotal</i>	<i>4,898.4</i>	<i>3,828.1</i>	<i>3,963.4</i>	<i>4,508.3</i>	<i>5,026.2</i>	<i>2.6%<sup>h</sup></i>

**TABLE 1. FY1994-FY1998 Appropriations for Selected Employment  
and Training Programs<sup>a</sup> (continued)**  
(\$ in millions; subtotal may not add due to rounding)

<b>Programs and National Activities</b>	<b>FY1994 (P.L. 103-112)</b>	<b>FY1995 (P.L. 104-6)</b>	<b>FY1996 (P.L. 104-134)</b>	<b>FY1997 (P.L. 104-208)</b>	<b>FY1998 (P.L. 105-78)</b>	<b>% Change FY1994-98</b>
Trade Act of 1974						
- Trade Adjustment Assistance Training	\$98.9	\$97.8	\$96.6	\$85.1	\$96.7	-2.2%
-NAFTA Transistional Adjustment Assistance Training	7.9	21.4	26.5	21.5	22.3	182.3%
Wagner-Peyser Act (Employment Service)						
- Allotment to States	832.9	838.9	761.7	761.7	761.7	-8.5%
- National Activities	85.5	76.4	58.9	62.7	62.7	-26.6%
- One-Stop Career Centers	50.0	100.0	110.0	150.0	150.0	200.0%
<i>Subtotal</i>	<i>968.3</i>	<i>1,015.3</i>	<i>930.7</i>	<i>974.5</i>	<i>974.5</i>	<i>0.6%</i>
Senior Community Service Employment (Title V of the Older Americans Act)	410.5	396.1	373.0	463.0 <sup>j</sup>	440.2	7.2%
<b>Departments of Education and Labor</b>						
School-to-Work Opportunities Act	100.0 <sup>k</sup>	245.0	350.0	400.0	400.0	300.0%
<b>Department of Agriculture</b>						
Food Stamp Act						
- Employment and Training <sup>l</sup>	159.1	162.9	179.8	211.5	362.6	127.9%

**Note:** See the next page for table notes.

<sup>a</sup>Note that Table 1 does not include original FY1995 appropriation but rather the final appropriations for that fiscal year resulting from rescissions.

<sup>b</sup>Funded through the Department of Labor.

<sup>c</sup>Funded through the Department of Health and Human Services.

<sup>d</sup>See Table 2 funding levels for the summer youth program for the summers of 1994-1998.

<sup>e</sup>This amount does not include \$2.5 million allocated for the Fiscal Year 1996 Paralympic games, and \$5.6 million transferred to the Department of justice for oversight of the teamsters' elections.

<sup>f</sup>This amount does not include \$3.0 million allocated to the National Skills Standards Advisory Board and \$3.8 million transferred to the Department of Justice for oversight of the teamsters' elections.

<sup>g</sup>This amount includes \$250 million in advance funding for a new Opportunity Areas for Out-of School Youth (OASY) program for FY1999, contingent upon enactment of authorizing legislation by July 1, 1998. JTPA may or may not be the authorizing legislation. When funding for a new program is added under national activities until authorizing legislation can be passed, it can distort the actual percentage change for national activities. See footnote<sup>k</sup> for an example of a program that was originally funded under the category of national activities until authorizing legislation was enacted.

<sup>h</sup>If the \$250 million discussed in footnote <sup>g</sup> is not included in the total appropriation for JTPA for FY1998, then funding for FY1998 is 2.5% less than funding for FY1994 rather than 2.6% more.

<sup>i</sup>This program is an entitlement to individuals (i.e., the funding level is established by the Trade Act of 1974, rather than by annual appropriations). Appropriations are estimates of anticipated obligations. Funding levels for FY1994, FY1995, FY1996, and FY1997 are actual obligations while funding for FY1998 is an estimate.

<sup>j</sup>Includes \$28 million for program year 1996 to cover the cost of the October 1, 1996 increase in the federal minimum wage to cover the program year July 1, 1996 -- June 30, 1997.

<sup>k</sup>Includes \$50 million for School-to-Work programs funded under JTPA Title IV (national activities) in FY1994. An additional \$50 million was appropriated to the Department of Education for school-to-work programs. These activities are now authorized under the School-to-Work Opportunities Act of 1993 (P.L. 103-239).

<sup>l</sup>Funded by the Department of Agriculture appropriations bill, this program is an entitlement to states (i.e., funding is established by the Food Stamp Act, rather than by annual appropriations). Funding levels for FY1994, FY1995, FY1996, and FY1997 are actual obligations while funding for FY1998 is an estimate. This program is funded in two parts: (1) a direct grant to states; and (2) the federal government shares 50% of any spending above the basic grant level.

## Funding for JTPA Summer Youth

To understand funding for the JTPA summer youth program, it is important to consider not only appropriations for a given fiscal year but also the summer or summers in which those appropriations are to be used. Prior to FY1991, the summer youth program had been forward funded, with appropriations for a fiscal year spent in the summer of the following calendar year; e.g., FY1990 appropriations were for use in the summer of 1991. For FY1991 through FY1994, annual appropriations included amounts for more than one summer (e.g., FY1994 appropriations were for use in the summers of 1994 and 1995 -- see **Table 2**). Since FY1995, appropriations for a fiscal year correspond with spending for that calendar year (e.g., FY1995 appropriations were for use in the summer of 1995).

**TABLE 2. Funding Availability for the  
Summer Youth Employment and Training Program**  
(\$ in millions)

Period For Use In	FY1994 Approp.	FY1995 Approp.	FY1996 Approp.	FY1997 Approp.	FY1998 Approp.	Amount Available
Summer 1994	206.0	---	---	---	---	876.7 <sup>a</sup>
Summer 1995	682.3	184.8	---	---	---	867.1
Summer 1996	---	---	625.0	---	---	625.0
Summer 1997	---	---	---	871.0	---	871.0
Summer 1998	---	---	---	---	871.0	871.0

<sup>a</sup>Of this amount, \$670.7 million was appropriated in FY1993.