

TRAINING AND EDUCATION FOR AMERICAN WORKERS ACT
OF 2000

MAY 25, 2000.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. GOODLING, from the Committee on Education and the
Workforce, submitted the following

REPORT

together with

ADDITIONAL AND DISSENTING VIEWS

[To accompany H.R. 4402]

[Including cost estimate of the Congressional Budget Office]

The Committee on Education and the Workforce, to whom was referred the bill (H.R. 4402) to amend the American Competitiveness and Workforce Improvement Act of 1998 to improve the use of amounts deposited into the H-1B Nonimmigrant Petitioner Account for demonstration programs and projects to provide technical skills training for occupations for which there is a high demand for skilled workers, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Training and Education for American Workers Act of 2000”.

SEC. 2. USE OF H-1B NONIMMIGRANT PETITIONER FEES.

Section 414(c) of the American Competitiveness and Workforce Improvement Act of 1998 (29 U.S.C. 2916 note) is amended to read as follows:

“(c) DEMONSTRATION PROGRAMS AND PROJECTS TO PROVIDE TECHNICAL SKILLS TRAINING FOR WORKERS; LOAN FORGIVENESS FOR MATHEMATICS, SCIENCE, AND READING TEACHERS.—

“(1) TECHNICAL SKILLS TRAINING FOR WORKERS.—

“(A) IN GENERAL.—The Secretary of Labor shall use 75 percent of the funds made available under section 286(s)(2) of the Immigration and Na-

tionality Act (8 U.S.C. 1356(s)(2)) to establish demonstration programs or projects to provide technical skills training for employed and unemployed workers for any skill shortage related to a specialty occupation (as defined in section 214(i)(1) of the Immigration and Nationality Act (8 U.S.C. 1184(i)(1))).

“(B) GRANTS.—The Secretary of Labor shall award grants to carry out programs or projects described in subparagraph (A) to—

“(i) local workforce investment boards established under section 117 of the Workforce Investment Act of 1998 (29 U.S.C. 2832);

“(ii) regional consortia of local boards described in clause (i); or

“(iii) in conjunction with, and with the active participation of, local boards described in clause (i), consortia (which may be local, regional, or multistate consortia)—

“(I) a majority of whose members are a business or represent a business; and

“(II) whose membership may include representatives of State and local governments, community-based organizations (as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801)), educational institutions, and labor organizations (for a local area, as defined in such section 101, in which employees are represented by labor organizations), nominated by local labor federations, or (for a local area, as so defined, in which no employees are represented by such organizations), other representatives of employees.

“(C) PRIORITY PROJECTS.—In awarding grants under subparagraph (B), the Secretary of Labor shall give priority to programs or projects that train employed and unemployed workers in skills that are in shortage in the high technology, information technology, and biotechnology fields, including software and communications services, telecommunications, systems installation and integration, computers and communications hardware, health care technology, biotechnology, and biomedical research, manufacturing, and innovation services.

“(D) GRANT APPLICATION REQUIREMENTS.—An application for a grant under this paragraph shall include—

“(i) specific goals for each program or project for which funds are sought, including targets for measurable increases in skill gains for those individuals being trained under the program or project; and

“(ii) an agreement that the program or project shall be subject to evaluations by the Secretary of Labor to measure its effectiveness.

“(E) MATCHING FUNDS.—Each grantee receiving funds under this paragraph shall demonstrate the manner by which the grantee will provide matching resources (in the form of cash, in-kind contributions, or both) equal to at least 25 percent of the total grant amount awarded.

“(F) TARGET POPULATION.—Each grantee receiving funds under this paragraph shall make efforts actively to recruit and train individuals who traditionally are underrepresented in information technology occupations, such as minorities, women, low-wage workers, workers residing in empowerment zones and enterprise communities (as defined in section 1393(b) of the Internal Revenue Code of 1986), and individuals with a disability.

“(2) LOAN FORGIVENESS FOR MATHEMATICS, SCIENCE, AND READING TEACHERS.—

“(A) IN GENERAL.—Notwithstanding any other provision of law, the Secretary of Labor shall transfer to the Secretary of Education 25 percent of the funds made available to the Secretary of Labor under section 286(s)(2) of the Immigration and Nationality Act (8 U.S.C. 1356(s)(2)).

“(B) USE OF FUNDS.—The Secretary of Education shall use funds made available under subparagraph (A) to carry out section 3 of the Training and Education for American Workers Act of 2000.”

SEC. 3. LOAN FORGIVENESS PROGRAM FOR MATHEMATICS, SCIENCE, AND READING TEACHERS.

(a) PROGRAM.—

(1) IN GENERAL.—The Secretary of Education (in this section referred to as the “Secretary”) shall carry out a program of assuming the obligation to repay, pursuant to subsection (c), a loan made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965 or part D of such title (excluding loans made under sections 428B and 428C of such Act or comparable loans made under part D of such title) for any new borrower after October 1, 1998, who—

(A) has been employed, for 3 consecutive complete school years, as—

- (i) a full-time teacher of mathematics, science, or a related field; or
 - (ii) a full-time teacher responsible for providing reading instruction in any of grades kindergarten through 3d grade;
- (B) satisfies the requirements of subsection (d); and
- (C) is not in default on a loan for which the borrower seeks forgiveness.
- (2) AWARD BASIS; PRIORITY.—
 - (A) AWARD BASIS.—Subject to subparagraph (B), loan repayment under this section shall be on a first-come, first-serve basis and subject to the availability of appropriations.
 - (B) PRIORITY.—The Secretary shall give priority in providing loan repayment under this section for a fiscal year to student borrowers who received loan repayment under this section for the preceding fiscal year.
 - (3) REGULATIONS.—The Secretary is authorized to prescribe such regulations as may be necessary to carry out the provisions of this section.
- (b) LOAN REPAYMENT.—
 - (1) ELIGIBLE AMOUNT.—The amount the Secretary may repay on behalf of any individual under this section shall not exceed—
 - (A) the sum of the principal amounts outstanding (not to exceed \$3,000) of the individual's qualifying loans at the end of 3 consecutive complete school years of service described in subsection (a)(1)(A);
 - (B) an additional portion of such sum (not to exceed \$1,000) at the end of each of the next 2 consecutive complete school years of such service; and
 - (C) a total of not more than \$5,000.
 - (2) CONSTRUCTION.—Nothing in this section shall be construed to authorize the refunding of any repayment of a loan made under part B or D of title IV of the Higher Education Act of 1965.
 - (3) INTEREST.—If a portion of a loan is repaid by the Secretary under this section for any year, the proportionate amount of interest on such loan which accrues for such year shall be repaid by the Secretary.
 - (c) REPAYMENT TO ELIGIBLE LENDERS.—The Secretary shall pay to each eligible lender or holder for each fiscal year an amount equal to the aggregate amount of loans which are subject to repayment pursuant to this section for such year.
 - (d) APPLICATION FOR REPAYMENT.—
 - (1) IN GENERAL.—Each eligible individual desiring loan repayment under this section shall submit a complete and accurate application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.
 - (2) CONDITIONS.—
 - (A) YEARS OF SERVICE.—An eligible individual may apply for loan repayment under this section after completing the required number of years of qualifying employment.
 - (B) FULLY QUALIFIED TEACHERS IN PUBLIC ELEMENTARY OR SECONDARY SCHOOLS.—An application for loan repayment under this section shall include such information as is necessary to demonstrate that the applicant—
 - (i) if teaching in a public elementary, middle, or secondary school (other than as a teacher in a public charter school), has obtained State certification as a teacher (including certification obtained through alternative routes to certification) or passed the State teacher licensing exam and holds a license to teach in such State; and
 - (ii) if teaching in—
 - (I) a public elementary school, holds a bachelor's degree and demonstrates knowledge and teaching skills in reading, writing, mathematics, science, and other areas of the elementary school curriculum; or
 - (II) a public middle or secondary school, holds a bachelor's degree and demonstrates a high level of competency in all subject areas in which he or she teaches through—
 - (aa) a high level of performance on a rigorous State or local academic subject areas test; or
 - (bb) completion of an academic major in each of the subject areas in which he or she provides instruction.
 - (C) TEACHERS IN NONPROFIT PRIVATE ELEMENTARY OR SECONDARY SCHOOLS OR CHARTER SCHOOLS.—In the case of an applicant who is teaching in a nonprofit private elementary or secondary school, or in a charter school, an application for loan repayment under this section shall include such information as is necessary to demonstrate that the applicant has knowledge and teaching skills in reading, writing, and mathematics, as certified by the chief administrative officer of the school.

(e) TREATMENT OF CONSOLIDATION LOANS.—A loan amount for a consolidation loan made under section 428C of the Higher Education Act of 1965, or a Federal Direct Consolidation Loan made under part D of title IV of such Act, may be a qualified loan amount for the purpose of this section only to the extent that such loan amount was used by a borrower who otherwise meets the requirements of this section to repay—

(1) a loan made under section 428 or 428H of such Act; or

(2) a Federal Direct Stafford Loan, or a Federal Direct Unsubsidized Stafford Loan, made under part D of title IV of such Act.

(f) FUNDS FOR PROGRAM.—The Secretary shall carry out this section with funds made available under section 414(c)(2) of the American Competitiveness and Workforce Improvement Act of 1998 (29 U.S.C. 2916 note).

SEC. 4. EFFECTIVE DATE.

This Act, and the amendments made by this Act, shall take effect on October 1, 2000.

PURPOSE

The purpose of H.R. 4402, the Training and Education for American Workers Act of 2000, is to improve the use of funds accumulated by the H-1B Nonimmigrant Petitioner Account for demonstration programs and projects to provide technical skills training for occupations for which there is a high demand for skilled workers and for other purposes.

COMMITTEE ACTION

On May 9, 2000, Representative Bill Goodling (R-PA) introduced H.R. 4402, the Training and Education for American Workers Act of 2000, to amend the American Competitiveness and Workforce Investment Act (ACWIA) of 1998. This Act improves the use of funds deposited into the H-1B Nonimmigrant Petitioner Account for demonstration programs and projects to provide technical skills training for occupations for which there is a high demand for skilled workers, and for other purposes.

On May 10, 2000, the Committee on Education and the Workforce assembled to consider H.R. 4402. An amendment in the nature of a substitute offered by Mr. Goodling was adopted by voice vote, and the bill, as amended, was reported by the Committee on Education and the Workforce by voice vote. Below is a description of the adopted amendments to H.R. 4402:

The Goodling amendment in the nature of a substitute included a technical modification to H.R. 4402 as introduced.

Rep. Ehlers (R-MI) introduced an amendment to allow qualified math, science and kindergarten to third grade reading teachers, who otherwise meet the requirements of the loan forgiveness programs established under this legislation, to receive loan forgiveness regardless of the school in which they teach. The amendment passed 28 yeas to 15 nays.

Rep. Ford (D-KY) introduced an amendment to enable representatives of community-based organizations, as defined under the Workforce Investment Act of 1998 (WIA), to serve as a member of a business-led consortia eligible to carry out job training projects under this legislation. The amendment was adopted by voice vote.

Rep. Tierney (D-MA) introduced an amendment to clarify that business-led consortia receiving job-training funds under this legislation shall work in conjunction with the active support of local workforce investment boards. The amendment was adopted by voice vote.

SUMMARY

H.R. 4402 amends Section 414(c) of the American Competitiveness and Workforce Improvement Act of 1998 to improve the use of funds deposited into the H-1B Nonimmigrant Petitioner Account.

JOB TRAINING FUNDS

Currently under the Immigration and Nationality Act 56.3 percent of funds deposited into the H-1B Nonimmigrant Petitioner Account is directed to the secretary of labor for demonstration programs or projects under 414(c) of the American Competitiveness and Workforce Improvement Act of 1998. H.R. 4402 directs 75 percent of the 56.3 percent toward demonstration programs and projects to provide technical skills training for workers.

Under current law, eligibility for these funds is limited to private industry councils established under the Job Training Partnership Act of 1982, as in effect on the date of enactment of ACWIA; local workforce investment boards established under WIA; or regional consortia of such councils. Section 2 of H.R. 4402 drops references to private industry councils due to the fact these councils have since been replaced by workforce investment boards under WIA. These new workforce investment boards and regional consortia are eligible for these grants. In addition, the bill extends eligibility to business-led consortia, which may also include representatives of labor (as described under WIA), representatives of state and local government, community based organizations (as defined under WIA), and educational institutions.

Current law states that funds under this part are to provide “technical skills training for workers * * *” H.R. 4402, clarifies that such programs or projects be limited to those addressing skill shortages in specialty occupations (as defined in section 214(i)(1) of the Immigration and Nationality Act (8 U.S.C. 1184(i)(1)). H.R. 4402 further provides priority for those projects that train employees and unemployed workers in skills that are in shortage in the high technology, information technology, and biotechnology fields.

As the law stands today, there is no statutory requirement for how funds under this part are to be held accountable. H.R. 4402 requires each application for a grant to include specific goals for each program or project for which funds are sought, including targets for measurable increases in skill gains for those individuals being trained. It also authorizes the secretary to evaluate such program to measure effectiveness.

Although no authority currently exists for the secretary of labor to require grantees receiving job-training funds under this part to provide matching resources, the secretary has imposed such requirement on grants awarded to date. H.R. 4402 requires each grantee to provide matching resources (in the form of cash, in-kind contributions, or both) equal to at least 25 percent of the total grant amount awarded.

Under current law, there is no requirement that funds be targeted to certain populations. H.R. 4402 requires each grantee to make an effort to recruit and train individuals who traditionally are underrepresented in information technology occupations.

LOAN FORGIVENESS FOR MATHEMATICS, SCIENCE, AND READING
TEACHERS

Under the Immigration and Nationality Act 56.3 percent of funds deposited into the H-1B Nonimmigrant Petitioner Account is directed to the secretary of labor for demonstration programs or projects under 414(c) of the American Competitiveness and Workforce Improvement Act of 1998. H.R. 4402 directs the secretary of labor to transfer 25 percent of the 56.3 percent of funds to the secretary of education to carry out a loan forgiveness program for mathematics, science and kindergarten through third grade reading teachers. Under current law, no funds under this part are reserved for the purpose of student loan forgiveness.

Under section 3(a) of H.R. 4402, the secretary of education, using funds described above, is to carry out a program of assuming the obligation to repay a loan made, insured, or guaranteed under part B of Title IV of the Higher Education Act of 1965 or part D of such Title (excluding loans made under section 428B and 428C of such act or comparable loans made under part D of such Title) for any new borrower after October 1, 1998, who meets specific criteria.

This criteria includes a requirement that such teacher has taught full time for three consecutive years in math, science or has been a full-time teacher responsible for providing reading instruction to students in kindergarten through third grade for three consecutive years. Such teachers must also not be in default of a loan for which the borrower seeks forgiveness. If teaching in a public elementary or secondary school, such teachers must be fully qualified as defined in the statute, and if teaching in a nonprofit private elementary or secondary school or public charter school must meet alternative criteria related to subject matter knowledge and teaching skills as established and certified by the chief administrative officer of the school.

Under section 3(b), the amount of loans which the secretary of education may forgive may not exceed the sum of the principal amounts outstanding (not to exceed \$3,000) of the individual's qualifying loans at the end of three consecutive school years. An additional portion of such sum (not to exceed \$1,000) is available at the end of each of the following two consecutive school years for such service not to exceed a total loan forgiveness of \$5,000.

Under section 3(c), the repayment to eligible lenders is specified.

Under section 3(d), the applications and conditions of repayment are set forth.

Under section 3(e), the treatment of consolidation loans is addressed.

Under section 3(f) language is included which clarifies that this program is to be carried out with funds made available under section 414(c)(2) of the American Competitiveness and Workforce Investment Act of 1998.

Section 4 of this bill provides October 1, 2000 as the effective date for this act, and the amendments made by this act.

COMMITTEE VIEWS

In October 1998, the president signed the Omnibus Consolidated and Emergency Supplemental Appropriations Act of 1999 (Public Law 105-277), encompassing the American Competitiveness and

Workforce Improvement Act of 1998. The ACWIA amended the Immigration and Nationality Act by temporarily increasing the number of foreign-born skilled workers allowed into the United States under H-1B visas, thus allowing them to fill job openings in certain high demand occupations. This increase was in response to concerns from the business community, particularly the high tech community, that there were not enough qualified professionals to fill key jobs, raising the possibility for some companies to move to foreign locations in order to expand.

Specifically, the ACWIA raised the cap on H-1B visas from 65,000 to 115,000 for fiscal years 1999 and 2000. For 2001, the cap was reduced to 107,500 and then reduced again back to the original level of 65,000 thereafter. As part of the changes made through the ACWIA, Congress established a \$500 fee upon employers for each H-1B worker they hired. This fee generated approximately \$75 million in FY2000. The act directed these fees to a H-1B Non-immigrant Petitioner Account in order to fund a variety of education and job training related activities. Specifically, 56.3 percent of these funds were directed to the secretary of labor for “demonstration programs and projects described in section 414(c) of the ACWIA,” a freestanding section of that act.

With funds made available to the Department of Labor over the past two years through this account, there has been one completed round of competitive grants totaling \$12 million, to local workforce investment boards for a variety of training initiatives. Another round, totaling \$40 million, will be completed in late spring of 2000.

The 1999 cap on H-1B visas was reached in just six months—demonstrating strong demand for skilled workers, especially in the high-tech industry. This need has also been fueled by an extremely low unemployment rate. These factors are coupled with the reality that our education and workforce development systems are not keeping pace with the needs of our nation’s economy. The Committee believes it is imperative that we continue to improve these systems if we are truly to address the unmet demand for skilled workers.

In response, there is growing support for legislation to increase the caps on H-1B visas. It is the Committee’s intent that any efforts to do so include a continued commitment to fund effective job training activities administered through the recently reformed workforce system developed under the bipartisan WIA.

This commitment is reflected under H.R. 4402, the Training and Education for American Workers Act of 2000. This legislation reinforces the view that any job training funds provided under the Immigration and Nationality Act be distributed through the Department of Labor and the local workforce system established under WIA. In doing so, the legislation also strengthens the current job training provisions to ensure these funds are used effectively and increase the number of workers in the United States with the skills necessary to be employed in the high skilled, high wage jobs which are being filled through H-1B workers—or more often, simply not being filled.

LOCAL WORKFORCE INVESTMENT BOARDS

The Committee believes it is important for any funds directed for job training from the H-1B petitioner account be tied to local workforce investment boards established under WIA. These business led boards are charged with ensuring federal job training programs are responsive to the needs of local employers and that federally funded training provides recipients with skills that are in demand. By July 2000, when all states must be in compliance with WIA, these boards will have replaced private industry councils (PICs) established under the Job Training Partnership Act that was consolidated along with related programs under WIA. Unlike PICs, the new boards will not administer or run programs—a task not suited for a business led advisory board. Instead, the new boards will bring together leading local business and community leaders to provide direction and oversee these job-training programs to ensure they are effective.

Tying these programs to the local workforce investment system not only seeks to meet the needs of local employers, but also ensures that funds are tied into the overall workforce investment system at the local level. This new system, overseen by the local boards, includes improved local access for services to those seeking employment or skills upgrading and for local employers seeking job applicants.

EXPANDED OPPORTUNITY FOR BUSINESS PARTICIPATION

Although the Committee recognizes the importance of local workforce investment boards to be actively involved in programs funded under this part, the Committee believes it is equally important to ensure the needs of a wide range of employers is met—including employers not represented on local boards.

It is for this reason that H.R. 4402 enables business led consortia to apply for these funds, in conjunction with local boards. For example, a group of technology firms, recognizing the wide demand for skills in a particular occupation, may join together and propose a model job training program to recruit and train individuals for these positions. Such consortia would work with the local board in submitting an application for funds, while allowing such consortia to manage the project or deliver the services, as well as act as the fiscal agent. The Committee notes the ability for such consortia to establish programs for their existing workforce, in particular those employees who may have the capacity, but not the specific skills to fill job openings in occupations in demand and are otherwise being left unfilled or being filled by H-1B visas holders.

EXPANDED TRAINING OPPORTUNITIES

H.R. 4402 encourages local workforce investment boards and consortia receiving these funds to serve individuals traditionally underrepresented in the information technology workforce. The Committee notes that this does not serve as a limitation on who may be served under this program and should not be viewed as an eligibility requirement. Additionally, it is not the intent to require additional paperwork for local workforce investment boards and consortia. Nor shall this be considered an exhaustive list of individuals underrepresented in these fields.

LOAN FORGIVENESS

As part of the Higher Education Amendments of 1998, Congress created a loan forgiveness program for all qualified teachers. Specifically, such teachers must be new borrowers as of October 1, 1998, and teach in high poverty schools receiving Title I funds under the Elementary and Secondary Education Act for a minimum of five years regardless of what subject they teach.

H.R. 4402 expands on the concept of loan forgiveness for teachers and creates a new program for mathematics, science and kindergarten through third grade reading teachers regardless of where they teach. Targeting loan forgiveness to teachers who teach these particular subjects is in direct response to the nationwide shortage of qualified teachers in these areas. The Committee notes that in addition to this new program and the existing loan forgiveness program, students who receive Perkins Loans under part E of Title IV of the Higher Education Act also receive loan forgiveness if they teach in a school that receives Title I funds under the Elementary and Secondary Education Act.

The combined impact of these three loan forgiveness programs will be significant for many of our nation's teachers. A teacher who received the average Perkins Loan for four years of college and who teaches any subject in a Title I school will receive \$6,000 in loan cancellation under the Perkins Loan Program over a period of five years. If that same teacher has loans under parts B or D of Title IV, he or she will receive \$5,000 in loan forgiveness after completing five years of teaching.

By creating this new program, that same teacher will be eligible for an additional \$5,000 in loan forgiveness if he or she teaches math, science or reading in any school in the country. This one teacher may receive as much as \$16,000 in loan forgiveness.

Not only will students in high poverty schools be served by qualified teachers, but the overall number of teachers in high need subject areas will be increased in schools nation-wide as a result of these three loan programs.

NO SET AUTHORIZATION

It is the Committee's intent that funding for this program come solely from the transfer of funds from the Department of Labor. The Committee does not intend a separate authorization of appropriations for this program.

SECTION-BY-SECTION

Section 1. Short Title. Sets forth the short title for this legislation.

Section 2. Use of H-1B Nonimmigrant Petitioner Fees. Amends Section 414(c) of the American Competitiveness and Workforce Improvement Act of 1998 as follows: "Directs the secretary of labor to establish demonstration programs or projects and provide grants for the purpose of skills training for workers for any skill shortage as demonstrated by the number of H-1B visas issued in a field. Additionally, this section reserves funds to be transferred to the secretary of education for the purpose of loan forgiveness for mathematics, science or reading teachers."

Section 3. Loan Forgiveness Program for Mathematics, Science, and Reading Teachers. Directs the secretary of education to provide loan forgiveness to qualified teachers.

Section 4. Effective Date. Provides the date in which this act shall take effect.

EXPLANATION OF AMENDMENTS

The Amendment in the Nature of a Substitute is explained in the body of this report.

APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch. This bill, H.R. 4402, the Training and Education for American Workers Act of 2000, is to improve the use of funds accumulated by the H–1B Nonimmigrant Petitioner Account for demonstration programs and projects to provide technical skills training for occupations for which there is a high demand for skilled workers. The bill does not prevent legislative branch employees from receiving the benefits of this legislation.

UNFUNDED MANDATE STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandates Reform Act, P.L. 104–4) requires a statement of whether the provisions of the reported bill include unfunded mandates. The purpose of H.R. 4402, the Training and Education for American Workers Act of 2000, is to improve the use of funds accumulated by the H–1B Nonimmigrant Petitioner Account for demonstration programs and projects to provide technical skills training for occupations for which there is a high demand for skilled workers. As such, the bill does not contain any unfunded mandates.

ROLL CALL VOTES

Clause 3(b) of Rule XIII of the Rules of the House of Representatives requires the Committee Report to include for each record vote on a motion to report the measure or matter and on any amendments offered to the measure or matter the total number of votes for and against and the names of the Members voting for and against.

COMMITTEE ON EDUCATION AND THE WORKFORCE

ROLL CALL 1 BILL H.R. 4402 DATE May 10, 2000

AMENDMENT NUMBER 3A DEFEATED 19-23

SPONSOR/AMENDMENT Mr. Holt / second degree amendment to the amendment offered by
 Mr. Ehlers adding a priority for the teacher loan forgiveness to teachers that qualify under the loan
 forgiveness program of the Higher Education Act

MEMBER	AYE	NO	PRESENT	NOT VOTING
Mr. GOODLING, Chairman		X		
Mr. PETRI, Vice Chairman		X		
Mrs. ROUKEMA		X		
Mr. BALLENGER		X		
Mr. BARRETT		X		
Mr. BOEHNER				X
Mr. HOEKSTRA		X		
Mr. McKEON		X		
Mr. CASTLE		X		
Mr. JOHNSON		X		
Mr. TALENT		X		
Mr. GREENWOOD		X		
Mr. GRAHAM		X		
Mr. SOUDER		X		
Mr. McINTOSH		X		
Mr. NORWOOD				X
Mr. PAUL				X
Mr. SCHAFER				X
Mr. UPTON		X		
Mr. DEAL		X		
Mr. HILLEARY		X		
Mr. EHLERS		X		
Mr. SALMON		X		
Mr. TANCREDO		X		
Mr. FLETCHER		X		
Mr. DEMINT		X		
Mr. ISAKSON		X		
Mr. CLAY	X			
Mr. MILLER	X			
Mr. KILDEE	X			
Mr. MARTINEZ	X			
Mr. OWENS				X
Mr. PAYNE	X			
Mrs. MINK	X			
Mr. ANDREWS	X			
Mr. ROEMER	X			
Mr. SCOTT	X			
Ms. WOOLSEY	X			
Mr. ROMERO-BARCELO				X
Mr. FATTIAH				X
Mr. HINOJOSA	X			
Mrs. McCARTHY	X			
Mr. TIERNEY	X			
Mr. KIND	X			
Ms. SANCHEZ	X			
Mr. FORD	X			
Mr. KUCINICH	X			
Mr. WU	X			
Mr. HOLT	X			
TOTALS	19	23		7

COMMITTEE ON EDUCATION AND THE WORKFORCE

ROLL CALL 2 BILL H.R. 4402 DATE May 10, 2000

AMENDMENT NUMBER 3 ADOPTED 28-15

SPONSOR/AMENDMENT Mr. Ehlers / deletes requirement that teachers serve in only Title I schools in order to receive loan forgiveness under this program

MEMBER	AYE	NO	PRESENT	NOT VOTING
Mr. GOODLING, Chairman	X			
Mr. PETRI, Vice Chairman	X			
Mrs. ROUKEMA	X			
Mr. BALLENGER	X			
Mr. BARRETT	X			
Mr. BOEHNER				X
Mr. HOEKSTRA	X			
Mr. McKEON	X			
Mr. CASTLE	X			
Mr. JOHNSON	X			
Mr. TALENT	X			
Mr. GREENWOOD	X			
Mr. GRAHAM	X			
Mr. SOUDER	X			
Mr. McINTOSH	X			
Mr. NORWOOD				X
Mr. PAUL				X
Mr. SCHAFER				X
Mr. UPTON	X			
Mr. DEAL	X			
Mr. HILLEARY	X			
Mr. EHLERS	X			
Mr. SALMON	X			
Mr. TANCREDO	X			
Mr. FLETCHER	X			
Mr. DEMINT	X			
Mr. ISAKSON	X			
Mr. CLAY		X		
Mr. MILLER		X		
Mr. KILDEE		X		
Mr. MARTINEZ	X			
Mr. OWENS		X		
Mr. PAYNE		X		
Mrs. MINK		X		
Mr. ANDREWS		X		
Mr. ROEMER		X		
Mr. SCOTT		X		
Ms. WOOLSEY	X			
Mr. ROMERO-BARCELO				X
Mr. FATTAH				X
Mr. HINOJOSA		X		
Mrs. McCARTHY	X			
Mr. TIERNEY		X		
Mr. KIND		X		
Ms. SANCHEZ		X		
Mr. FORD		X		
Mr. KUCINICH		X		
Mr. WU	X			
Mr. HOLT	X			
TOTALS	28	15		6

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF
THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the body of this report.

NEW BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of 3(c)(3) of rule XIII of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 4402 from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 18, 2000.

Hon. WILLIAM F. GOODLING,
*Chairman, Committee on Education and the Workforce, U.S. House
of Representatives, Washington DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4402, the Training and Education for American Workers Act of 2000.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Christina Hawley Sadoti (for Department of Labor costs), and Deborah Kalcevic (for Department of Education costs).

Sincerely,

BARRY B. ANDERSON.
(For Dan L. Crippen, Director).

Enclosure.

*H.R. 4402—Training and Education for American Workers Act of
2000*

Summary: H.R. 4402 would amend the American Competitiveness and Workforce Improvement Act of 1998 to require that a portion of the visa fees collected under current law and reserved for the Department of Labor (DOL) would be spent by the Department of Education (ED) on loan forgiveness activities. Although net spending of those fees would not change over the 2001–2005 period, variations in spending patterns by DOL and ED would result in some year-to-year outlay differences relative to spending under current law. As spending under these programs is considered mandatory, these changes would be subject to pay-as-you-go procedures.

The bill also would authorize a loan forgiveness program to be operated by ED, subject to the availability of appropriated funds. CBO estimates that full implementation of this provision would cost \$315 million over the 2001–2005 period. CBO estimates that \$12 million of that cost would come from the transfer of fees to be collected in 2001 under current law; all remaining costs for loan forgiveness would require new appropriations.

H.R. 4402 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Any costs to state or local governments as a result of enactment of the bill would be incurred voluntarily, as a condition of financial assistance.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 4402 is shown in the following table. The costs of this legislation fall within budget function 500 (education, employment training, and social services).

	By fiscal years, in millions of dollars—					
	2000	2001	2002	2003	2004	2005
CHANGES IN DIRECT SPENDING						
Estimated Budget Authority	0	0	0	0	0	0
Estimated Outlays	0	10	-4	-4	-1	0
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	0	63	55	65	70	70
Estimated Outlays	0	55	48	60	70	70

BASIS OF ESTIMATE

For the purposes of this estimate, CBO assumes that H.R. 4402 will be enacted by the end of fiscal year 2000, and that necessary funds to implement the bill will be appropriated beginning in 2001.

DIRECT SPENDING

H.R. 4402 would amend provisions relating to job training demonstration programs authorized under the American Competitiveness and Workforce Improvement Act of 1998. Under that act, a percentage of fees paid by petitioners for non-immigrant work visas are used by DOL on grants for job training aimed at improving technical skills of the American workforce. H.R. 4402 would add new requirements to the grant programs—making them available to business consortia as well as governmental and nonprofit providers, and requiring grantees to provide matching funds of at least 25 percent of the total grant amount awarded. CBO estimates that these changes would have a negligible effect on federal outlays over the 2001–2005 period.

Under the bill, DOL would keep 75 percent of the allotment provided under current law. The other 25 percent would be transferred to ED for a loan forgiveness program (described in detail under the following section on spending subject to appropriation). CBO estimates that, under current law, DOL will receive \$48 million in fees in fiscal year 2001 that would be used for job training activities. If this bill is enacted, DOL would keep \$36 million and transfer \$12 million to ED. Although the total amount of funds spent by the federal government over the 2001–2005 period would not change, there would be some change in spending patterns relative to current law.

Loan forgiveness activities are estimated as changes in credit program subsidies that are recorded when existing loans are modified or when new loans are disbursed. Consequently, outlays would be recorded faster for this program than for job training activities, resulting in a net increase in spending of \$10 million in fiscal year 2001, followed by net reductions in spending over the next three

fiscal years. The fees that are used to fund these activities are currently authorized only through 2001.

SPENDING SUBJECT TO APPROPRIATION

The new loan forgiveness program that H.R. 4402 would establish is aimed at certain elementary and secondary school teachers. Under the bill, qualifying teachers who were new borrowers of federal student loans after 1998 could have up to \$5,000 of student loan debt paid off by the federal government. Qualifying teachers include full-time elementary school instructors who provide reading instruction to students through the third grade, and other elementary and secondary school teachers who are full-time instructors in mathematics, science, and related fields. After three consecutive years of teaching in these fields, up to \$3,000 of federal student loan debt would be forgiven, with an additional \$1,000 per year for the fourth and fifth consecutive years.

Based on data on teachers from the National Center for Education Statistics, CBO estimates that about one-quarter of the 2.7 million elementary and secondary school teachers would eventually meet the instructional and tenure requirements of the proposed program, but only about 40 percent of those teachers would have outstanding student loan debt covered under the program. Because the program would be phased in by limiting participation to new student loan borrowers after 1998 and only after those borrowers have been hired and then taught for a minimum of three consecutive years, it would be many years before the program is fully implemented. By 2005, an estimated 25,000 teachers would be eligible to receive some debt forgiveness.

Program costs associated with the new loan forgiveness program are assessed under the requirements of the Federal Credit Reform Act of 1990. As such, the costs associated with loan forgiveness are recorded on a present-value basis in the year an existing loan is modified or a new loan is disbursed to the borrower. The costs of changes to 1999 and 2000 loans are shown in the table in 2001—when CBO assumes appropriations would first be provided.

CBO estimates that full funding requirements of the program authorized under H.R. 4402 would be \$75 million in 2001 which covers the cost of loans disbursed to borrowers in 1999, 2000, and 2001, and \$335 million over the 2001–2005 period. Of the estimated \$335 million in funding costs through 2005, \$12 million would be supplied through the visa fees, but the rest would be subject to annual appropriations.

H.R. 4402's language about the source of the funding for this program creates some uncertainty about the bill's scope. One possible interpretation is that the program's funding would be limited to only the amount of visa fees transferred from DOL to ED. If that were the case, then H.R. 4402 would create a program that would be authorized only for 2001 (or for subsequent years, should the Congress extend the fee authority). Because the bill does not specifically limit the program to 2001 and because it does not restrict funding of loan forgiveness costs to just the transferred fees, however, CBO assumes—for the purposes of this estimate—that additional funding for the program would be provided through annual appropriations to cover potential costs in addition to those covered by the transfer of fees.

Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By fiscal years, in millions of dollars—										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in outlays	0	10	−4	−4	−1	0	0	0	0	0	0
Changes in receipts	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)

¹ Non-applicable.

Estimated impact on State, local, and tribal governments: H.R. 4402 contains on intergovernmental mandates as defined in UMRA. The bill would make grants available to local workforce investment boards, or a consortia of boards, to provide programs that train certain workers in skills that are in short supply in various technology fields. New grant conditions would require recipients to match at least 25 percent of the grant award. Any costs to state or local governments as a result of enactment of the bill would be incurred voluntarily, as a condition of financial assistance.

Estimated impact on the private sector: H.R. 4402 contains no private-sector mandates as defined in UMRA.

Estimate prepared by: Federal Costs: DOL Costs—Christina Hawley Sadoti. ED Costs—Deborah Kalcevic.

Impact on State, Local, and Tribal Governments: Susan Seig Tompkins.

Impact on the Private Sector: Ralph Smith.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

STATEMENT OF OVERSIGHT FINDINGS OF THE COMMITTEE ON GOVERNMENT REFORM

With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee has received no report of oversight findings and recommendations from the Committee on Government Reform on the subject of H.R. 4402.

CONSTITUTIONAL AUTHORITY STATEMENT

Under clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee must include a statement citing the specific powers granted to Congress in the Constitution to enact the law proposed by H.R. 4402. The Committee believes that the amendments made by this bill to the American Competitiveness and Workforce Investment Act (ACWIA) of 1998 are within Congress' authority under Article I, section 8, clause 1 of the Constitution.

COMMITTEE ESTIMATE

Clauses 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs that would be incurred in carrying out H.R.

4402. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 414 OF THE AMERICAN COMPETITIVENESS AND WORKFORCE IMPROVEMENT ACT OF 1998

SEC. 414. COLLECTION AND USE OF H-1B NONIMMIGRANT FEES FOR SCHOLARSHIPS FOR LOW-INCOME MATH, ENGINEERING, AND COMPUTER SCIENCE STUDENTS AND JOB TRAINING OF UNITED STATES WORKERS.

(a) * * *

* * * * *

[(c) DEMONSTRATION PROGRAMS AND PROJECTS TO PROVIDE TECHNICAL SKILLS TRAINING FOR WORKERS.—

[(1) IN GENERAL.—In establishing demonstration programs under section 452(c) of the Job Training Partnership Act (29 U.S.C. 1732(c)), as in effect on the date of the enactment of this Act, or demonstration programs or projects under section 171(b) of the Workforce Investment Act of 1998, the Secretary of Labor shall use funds available under section 286(s)(2) to establish demonstration programs or projects to provide technical skills training for workers, including both employed and unemployed workers.

[(2) GRANTS.—The Secretary of Labor shall award grants to carry out the programs and projects described in paragraph (1) to—

[(A)(i) private industry councils established under section 102 of the Job Training Partnership Act (29 U.S.C. 1512), as in effect on the date of the enactment of this Act; or

[(ii) local boards that will carry out such programs or projects through one-stop delivery systems established under section 121 of the Workforce Investment Act of 1998; or

[(B) regional consortia of councils or local boards described in subparagraph (A).]

(c) DEMONSTRATION PROGRAMS AND PROJECTS TO PROVIDE TECHNICAL SKILLS TRAINING FOR WORKERS; LOAN FORGIVENESS FOR MATHEMATICS, SCIENCE, AND READING TEACHERS.—

(1) TECHNICAL SKILLS TRAINING FOR WORKERS.—

(A) IN GENERAL.—*The Secretary of Labor shall use 75 percent of the funds made available under section 286(s)(2) of the Immigration and Nationality Act (8 U.S.C. 1356(s)(2)) to establish demonstration programs or projects to provide technical skills training for employed and unem-*

ployed workers for any skill shortage related to a specialty occupation (as defined in section 214(i)(1) of the Immigration and Nationality Act (8 U.S.C. 1184(i)(1)).

(B) *GRANTS.*—The Secretary of Labor shall award grants to carry out programs or projects described in subparagraph (A) to—

(i) *local workforce investment boards established under section 117 of the Workforce Investment Act of 1998 (29 U.S.C. 2832);*

(ii) *regional consortia of local boards described in clause (i); or*

(iii) *in conjunction with, and with the active participation of, local boards described in clause (i), consortia (which may be local, regional, or multistate consortia)—*

(I) *a majority of whose members are a business or represent a business; and*

(II) *whose membership may include representatives of State and local governments, community-based organizations (as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801)), educational institutions, and labor organizations (for a local area, as defined in such section 101, in which employees are represented by labor organizations), nominated by local labor federations, or (for a local area, as so defined, in which no employees are represented by such organizations), other representatives of employees.*

(C) *PRIORITY PROJECTS.*—In awarding grants under subparagraph (B), the Secretary of Labor shall give priority to programs or projects that train employed and unemployed workers in skills that are in shortage in the high technology, information technology, and biotechnology fields, including software and communications services, telecommunications, systems installation and integration, computers and communications hardware, health care technology, biotechnology, and biomedical research, manufacturing, and innovation services.

(D) *GRANT APPLICATION REQUIREMENTS.*—An application for a grant under this paragraph shall include—

(i) *specific goals for each program or project for which funds are sought, including targets for measurable increases in skill gains for those individuals being trained under the program or project; and*

(ii) *an agreement that the program or project shall be subject to evaluations by the Secretary of Labor to measure its effectiveness.*

(E) *MATCHING FUNDS.*—Each grantee receiving funds under this paragraph shall demonstrate the manner by which the grantee will provide matching resources (in the form of cash, in-kind contributions, or both) equal to at least 25 percent of the total grant amount awarded.

(F) *TARGET POPULATION.*—Each grantee receiving funds under this paragraph shall make efforts actively to recruit and train individuals who traditionally are underrep-

resented in information technology occupations, such as minorities, women, low-wage workers, workers residing in empowerment zones and enterprise communities (as defined in section 1393(b) of the Internal Revenue Code of 1986), and individuals with a disability.

(2) *LOAN FORGIVENESS FOR MATHEMATICS, SCIENCE, AND READING TEACHERS.—*

(A) IN GENERAL.—Notwithstanding any other provision of law, the Secretary of Labor shall transfer to the Secretary of Education 25 percent of the funds made available to the Secretary of Labor under section 286(s)(2) of the Immigration and Nationality Act (8 U.S.C. 1356(s)(2)).

(B) USE OF FUNDS.—The Secretary of Education shall use funds made available under subparagraph (A) to carry out section 3 of the Training and Education for American Workers Act of 2000.

* * * * *

ADDITIONAL VIEWS

In response to the soaring demand by the business community for technologically skilled workers, the Congress is once again considering legislation to increase the numbers of foreign workers that may enter the country and fill high-tech jobs. If an increase is to be granted, it is imperative that we also secure and build on the job training and educational programs currently in place to increase the competitiveness of American workers.

The American Competitiveness and Workforce Improvement Act of 1998 (Title IV of P.L. 105-277, the Omnibus Appropriations Act for FY 1999) was intended to strike such a balance. The Act raised limits on H-1B visas. It imposed user fees on H-1B visa applicants. It required the fees to be used for grants awarded by the Department of Labor to fund the training of American workers for high-technology jobs. The Act also funded scholarships through the National Science Foundation for low-income students to pursue degrees in math, computer science, and engineering.

H.R. 4402, the Training and Education for American Workers Act, makes modest improvements in the H-1B Technical Skills Training Grant program administered by the Department of Labor. It also expands the student loan forgiveness program, with a special emphasis on math, science, and reading teachers.

H.R. 4402 is a bipartisan bill that includes key provisions requested by our members. The bill creates a priority for projects that train workers for the specific occupations that are the subject of the majority of the H-1B applications. The bill requires grant applicants to specify the skill gains their trainees are expected to realize. The bill addresses the "digital divide" by requiring grantees to actively recruit and train those workers who have been traditionally underrepresented in high-tech jobs—minorities, women, the disabled, and low-income workers. It establishes a 25% non-federal matching requirement. And finally, the bill includes a loan forgiveness program for math, science, and reading teachers. While each of the provisions in H.R. 4402 represents an important step forward, we believe that even more could have been done to increase the overall program's effectiveness.

First, the committee missed the opportunity to recognize labor-management partnerships as an instrument through which innovative and effective training programs could be implemented. Many labor organizations and employers across the nation have successfully launched initiatives to change the skill-base of the domestic workforce. During negotiations preceding the committee's mark-up, we sought the inclusion of a provision expressly permitting equal business—labor partnerships to serve as grantees. Regrettably, the Republican majority rejected it, insisting that all grantees be business-led entities—such as local workforce investment boards, or business-led consortia. Democrats were successful, however, in win-

ning approval during the mark-up of two amendments that improved the accountability for funds spent under the Act, and increased participation of employees and community organizations in the consortia.

The bill also included an expansion of the loan forgiveness program, a provision that was included in the bill at the request of Representative Roemer. The provision requires the Secretary of Labor to transfer 25% of funds collected from H-1B fees to the Secretary of Education to fund student loan forgiveness. The provision provides up to \$3,000 in student loan forgiveness for science, math and reading teachers who teach 3 years in elementary and secondary school, and up to \$1,000 in the 4th and 5th years of teaching. It requires public school teachers to be fully qualified in order to become eligible for loan forgiveness; the benefits are designed to supplement the loan forgiveness provisions in the Higher Education Act.

The bill as introduced limited loan forgiveness to teachers who teach in Title I schools. Title I schools have significantly more difficulty recruiting highly qualified teachers; this was recognized in the bipartisan reauthorization of the Higher Education Act, which provided up to \$5,000 loan forgiveness for teachers who teach in poor schools for 5 years. Unfortunately, the Majority weakened the loan forgiveness provision in committee by refusing to give priority to teachers who teach in Title I schools.

The Republican majority opposes an authorization for loan forgiveness, and wants to limit the program to H1-B fees generated and transferred to the Department of Education. According to the data provided by the Congressional Budget Office, this would severely limit the effectiveness and scope of this supplemental loan forgiveness program. According to the CBO, approximately 25,000 teachers would be eligible to receive loan forgiveness under H.R. 4402 through fiscal year 2005, at a cost of \$335 million. However, the H1-B fees alone would provide only \$12 million for loan forgiveness; this would fund loan forgiveness for less than 1,000 teachers cumulatively through fiscal year 2005. We support a separate authorization for this loan forgiveness program, so all eligible teachers have the opportunity to receive supplemental loan forgiveness benefits under this act.

We note that another pending and bipartisan H-1B bill, H.R. 3983 (introduced by Representatives Drier and Lofgren), would transfer the technical skills training grant program from the Department of Labor to the Department of Commerce. The members of this committee, the Clinton Administration, and AFL-CIO all oppose this transfer. As H.R. 4402 moves forward through the legislative process, and is considered in conjunction with related H-1B legislation, this committee should continue to assert its jurisdiction over both the H-1B skills training grant and educational programs, and oppose their removal from the agencies that are now effectively managing them.

We also support the amendment offered by Representative Kind that would provide additional support for Upward Bound, a program that provides comprehensive support services to low-income students, in critical areas such as mathematics and science. We

urge the Majority to make good on its promise to work with us on this initiative.

WILLIAM L. CLAY.
DALE E. KILDEE.
MAJOR R. OWENS.
PATSY T. MINK.
TIM ROEMER.
LYNN WOOLSEY.
CHAKA FATTAH.
CAROLYN MCCARTHY.
RON KIND.
HAROLD E. FORD, JR.
DAVID WU.
GEORGE MILLER.
MATTHEW G. MARTINEZ.
ROBERT E. ANDREWS.
ROBERT C. SCOTT.
CARLOS ROMERO-BARCELO
JOHN F. TIERNEY.
DENNIS J. KUCINICH.
RUSH HOLT.

DISSENTING VIEWS OF RON PAUL

Congress should reject HR 4402, the “Training and Education for American Workers Act of 2000,” as this bill uses fees from the H-1B program to strengthen an unconstitutional attempt to centrally plan the job training system. While the job training system certainly needs improvement, increasing the federal role in job training will not accomplish this worthy goal. Instead, Congress should return control over job training resources to the American people by passing large tax cuts and tax credits.

A particularly objectionable feature of this bill is its reliance on Local Workforce Investment Boards. These boards, which were created by Congress in 1997, represent a form of corporatism that has been discredited everywhere it has been tried. As I wrote about the Workforce Development Boards at the time of their creation:

“* * * because business-dominated workforce development boards will determine which occupations are in demand, it is very likely that the businesses represented on the board will be the ones determined to be those ‘for which there is a demand in the local workforce.’

Second, and more importantly, the very idea that a government board can somehow determine what occupations will be in demand at any point in the future is an example of what Nobel Laureate F.A. Hayek called ‘The Fatal Conceit.’ No central board, even one dominated by local officials and businessmen, can predict which jobs will be in demand in five, ten, or even two years. It is doubtful that a “local workforce board” in Silicon Valley in 1978 would have tried to link job training services to the personal computer market. In fact, it’s highly unlikely that Steve Jobs (founder of Apple computers), would be appointed to the workforce development board in Silicon Valley. The very fact that the boards are comprised of already established leaders for business practically assures that the entrepreneurs creating the jobs of the future will not be represented on this board. In this high-tech information age, where financial and, more importantly, intellectual capital, can travel around the world in a matter of seconds, the jobs in demand in any area can change faster than any geographical local workforce board could conceivably update the skills with which to link job-training.”

This bill not only reinforces the flawed system established in 1997, it once again commits “The Fatal Conceit” by singling out training for certain occupations as “priority projects.” Congress has neither the constitutional authority nor the competence to single out priority occupations, instead, the determination of what occupations deserve priority should be left to the greatest job-creation and wealth-enhancing process known in human history: the free market. Congress should promote a free-market in job training by cutting taxes on employers and employees so they may devote more of their own resources toward training for the jobs they have deter-

mined are in demand. I am cosponsoring several pieces of legislation to provide tax cuts and tax credits for job training, such as HR 1824, the Skilled Workforce Enhancement Act and HR 838, which provide tax credits for high technology training. If my colleagues wish to use fees collected from the H-1B visa program to enhance job training they should use this money to “offset” the loss of revenue from these pro-worker tax cuts.

In conclusion, Congress should reject these attempts to use H-1B visas fees to further an unconstitutional and inefficient attempt to centrally plan job training. Instead, Congress should embrace a free-market approach to job training by putting education resources in the hands of the American people so that they may determine what are the economy’s “priority projects.”

