

all clients, counseling all clients, maintaining the information system that will make the vendor market efficient and organizing employers to provide job experience and training slots for school youth and adult trainees.

Rebuild employment service as a primary function of labor market boards.

Develop programs to bring dropouts and illiterates up to general education certificate standard. Organize local alternative providers, firms to provide alternative education, counseling, job experience, and placement services to these clients.

Develop programs for dislocated workers and hard-core unemployed (see below).

Develop city and state-wide programs to combine the last two years of high school and the first two years of colleges into three-year programs after acquisition of the general education certificate to culminate in college certificates and degrees. These programs should combine academic and structured on-the-job training.

Develop uniform reporting system for providers, requiring them to provide information in that format on characteristics of clients, their success rates by program, and the costs of those programs. Develop computer-based system for combining this data at local labor market board offices with employment data from the state so that counselors and clients can look at programs offered by colleges and other vendors in terms of cost, client characteristics, program design, and outcomes. Including subsequent employment histories for graduates.

Design all programs around the forthcoming general education standards and the standards to be developed by the National Board for College Professional and Technical Standards.

Create statewide program of technical assistance to firms on high performance work organization and help them develop quality programs for participants in Technical and Professional certificate and degree programs. (It is essential that these programs be high quality, nonbureaucratic and voluntary for the firms.)

Participate with other states and the national technical assistance program in the national alliance effort to exchange information and assistance among all participants.

#### NATIONAL TECHNICAL ASSISTANCE TO PARTICIPANTS

Executive branch authorized to compete opportunity to provide the following services (probably using a Request For Qualifications):

State-of-the art assistance to the states and cities related to the principal program components (e.g., work reorganization, training, basic literacy, funding systems, apprenticeship systems, large scale data management systems, training systems for the HR professionals who make the whole system work, etc.). A number of organizations would be funded. Each would be expected to provide information and direct assistance to the states and cities involved, and to coordinate their efforts with one another.

It is essential that the technical assistance function include a major professional development component to make sure the key people in the states and cities upon whom success depends have the resources available to develop the high skills required. Some of the funds for this function should be provided directly to the states and cities, some to the technical assistance agency.

Coordination of the design and implementation activities of the whole consortium, document results, prepare reports, etc. One organization would be funded to perform this function.

#### DISLOCATED WORKERS PROGRAM

New legislation would permit combining all dislocated workers programs at rede-

signed employment service office. Clients would, in effect, receive vouchers for education and training in amounts determined by the benefits for which they qualify. Employment service case managers would qualify client worker for benefits and assist the client in the selection of education and training programs offered by provider institutions. Any provider institutions that receive funds derived from dislocated worker programs are required to provide information on costs and performance of programs in uniform format described above. This consolidated and voucherized dislocated workers program would operate nationwide. It would be integrated with Collaborative Design and Development Program in those states and cities in which that program functioned. It would be built around the general education certificate and the Professional and Technical Certificate and Degree Program as soon as those standards were in place. In this way, programs for dislocated workers would be progressively and fully integrated with the rest of the national education and training system.

#### LEVY GRANT SYSTEM

This is the part of the system that provides funds for currently employed people to improve their skills. Ideally, it should specifically provide means whereby front-line workers can earn this general education credential (if they do not already have one) and acquire Professional and Technical Certificates and Degrees in fields of their choosing.

Everything we have heard indicates virtually universal opposition in the employer community to the proposal for a 11/2% levy on employers for training to support the costs associated with employed workers gaining these skills, whatever the levy is called. We propose that Bill take a leaf out of the German book. One of the most important reasons that large German employers offer apprenticeship slots to German youngsters is that they fear, with good reason, that if they don't volunteer to do so, the law will require it. Bill could gather a group of leading executives and business organization leaders, and tell them straight out that he will hold back on submitting legislation to require a training levy, provided that they commit themselves to a drive to get employers to get their average expenditures on front-line employee training up to 2% of front-line employee salaries and wages within two years. If they have not done so within that time, then he will expect their support when he submits legislation requiring the training levy. He could do the same thing with respect to slots for structured on-the-job training.

#### COLLEGE LOAN/PUBLIC SERVICE PROGRAM

We presume that this program is being designed by others and so have not attended to it. From everything we know about it, however, it is entirely compatible with the rest of what is proposed here. What is, of course, especially relevant here, is that our reconceptualization of the apprenticeship proposal as a college-level education program, combined with our proposal that everyone who gets the general education credential be entitled to a free year of higher education (combined federal and state funds) will have a decided impact on the calculations of cost for the college loan/public service program.

#### ASSISTANCE FOR DROPOUTS AND THE LONG TERM UNEMPLOYED

The problem of upgrading the skills of high school dropouts and the adult hard core unemployed is especially difficult. It is also at the heart of the problem of our inner cities. All the evidence indicates that what is needed is something with all the important char-

acteristics of a nonresidential job Corps-like program. The problem with the Job Corps is that it is operated directly by the federal government and is therefore not embedded at all in the infrastructure of local communities. The way to solve this problem is to create a new urban program that is locally—not federally—organized and administered, but which must operate in a way that uses something like the federal standards for contracting for Job Corps services. In this way, local employers, neighborhood organizations and other local service providers could meet the need, but requiring local authorities to use the federal standards would assure high quality results. Programs for high school dropouts and the hard-core unemployed would probably have to be separately organized, though the services provided would be much the same. Federal funds would be offered on a matching basis with state and local funds for this purpose. These programs should be fully integrated with the revitalized employment service. The local labor market board would be the local authority responsible for receiving the funds and contracting with providers for the services. It would provide diagnostic, placement and testing services. We would eliminate the targeted jobs credit and use the money now spent on that program to finance these operations. Funds can also be used from the JOBS program in the welfare reform act. This will not be sufficient, however, because there is currently no federal money available to meet the needs of hard-core unemployed males (mostly Black) and so new monies will have to be appropriated for the purpose.

#### COMMENTARY

As you know very well, the High Skills: Competitive Workforce as sponsored by Senators Kennedy and Hatfield and Congressman Gephardt and Regula provides a ready-made vehicle for advancing many of the ideas we have outlined. To foster a good working relationship with the Congress, we suggest that, to the extent possible, the framework of these companion bills be used to frame the President's proposals. You may not know that we have put together a large group or representatives of Washington-based organizations to come to a consensus around the ideas in America's Choice. They are full of energy and very committed to this joint effort. If they are made part of the process of framing the legislative proposals, they can be expected to be strong support for them when they arrive on the Hill. As you think about the assembly of these ideas into specific legislative proposals, you may also want to take into account the packaging ideas that come later in this letter.

#### ELEMENTARY AND SECONDARY EDUCATION PROGRAM

The situation with respect to elementary and secondary education is very different from adult education and training. In the latter case, a new vision and a whole new structure is required. In the former, there is increasing acceptance of a new vision and structure among the public at large, within the relevant professional groups and in Congress. There is also a lot of existing activity on which to build. So we confine ourselves here to describing some of those activities that can be used to launch the Clinton education program.

#### STANDARD SETTING

Legislation to accelerate the process of national standard setting in education was contained in the conference report on S.2 and HR 4323 that was defeated on a recent cloture vote. Solid majorities were behind the legislation in both houses of Congress. While some of us would quarrel with a few of the details, we think the new administration